



Daily Report

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Daily Report

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CONTENTS

16 February 1993

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

General

Officials 'Angrily' Refuse Chinese Boat People [Hong Kong SOUTH CHINA SUNDAY MORNING POST 14 Feb]	1
Editorial on Boat People [Hong Kong SOUTH CHINA SUNDAY MORNING POST 14 Feb]	1
Envoy Reports to UN Commission on Rights [XINHUA]	2
UN Urges Israel To Allow Return of Deportees [XINHUA]	3
'News Analysis' on U.S.-EC 'Trade Frictions' [XINHUA]	3
XINHUA on U.S. Troop Commitment in Europe	4
Presidents Clinton, Mitterrand Discuss Bosnia [XINHUA]	5
Lebanese Minister: Christopher Visit 'Welcome' [XINHUA]	5

United States & Canada

'Change,' 'Fairness' Themes of Clinton Address [XINHUA]	6
Support Sought in TV Speech [XINHUA]	6
Qian Qichen Receives, Fets Alexander Haig [XINHUA]	6
NPC Official Meets Haig [XINHUA]	6

Central Eurasia

Police Probe 'Fake Liquor' After Russians Die [Tokyo KYODO]	6
Reportage on Russian Communist Party Congress	7
Opening Noted [XINHUA]	7
Party Urges State Socialism [XINHUA]	7
New Party Leader Elected [XINHUA]	7
Russian Consul on Planned Information Exchange [XINHUA]	8
New Lithuanian Leader Willing To Develop Ties [XINHUA]	8

Northeast Asia

Japan Expresses 'Active Support' for GATT Bid [XINHUA]	8
Tariff Talks 'To Start' [CHINA DAILY 13 Feb]	9
Further on Tariff Talks [XINHUA]	10

West Europe

Reports on Spanish Prime Minister Gonzalez' Visit	10
Urges More Investment in China [XINHUA]	10
Meets Jiang Zemin [XINHUA]	10
Talks With Zhu Rongji [XINHUA]	11
Madrid TV on Zhu Meeting	11
Interviewed by Newsmen [XINHUA]	12
Comments on Bilateral Ties [Beijing Radio]	12
Views 'Successful' Visit [XINHUA]	13
Officials Sign Agreements [XINHUA]	13
Li Peng Says Farewell [XINHUA]	13
Gonzalez Returns to Spain [XINHUA]	14
PRC, Spanish Businessmen Explore Cooperation [XINHUA]	14

East Europe

Albanian Foreign Minister Alfred Serreqi Arrives [XINHUA]	14
Meets Qian Qichen [XINHUA]	14
Talks With Li Peng [XINHUA]	15
PRC, Albania Sign Pacts [XINHUA]	15
Serreqi Meets Song Jian [XINHUA]	15
Envoy Calls on Czech Republic President Havel [XINHUA]	16

NATIONAL AFFAIRS

Political & Social

Former BEIJING RIBAO Editor Qi Lin Paroled [Hong Kong MING PAO 13 Feb]	17
Dai Qing Refused Work on Return From U.S. [AFP]	17
Dissidents Note Political Relaxation in Shanghai [Hong Kong MING PAO 15 Feb]	17
Protection of Foreign Drug Patents Ordinances [FAZHI RIBAO 30 Jan]	18
CPC Urged To Develop Ties With Foreign Parties [RENMIN RIBAO 8 Feb]	20
NPC Legislation's International Character [ZHONGGUO XINWEN SHE]	22
NPC Enacts Over 80 Laws During Past Five Years [XINHUA]	22
Drafting of Work Report Encounters 'Difficulties' [Hong Kong MING PAO 14 Feb]	23
NPC 36th Standing Committee Session Opens	24
Wan Li Presides [XINHUA]	24
CPC Proposes Revising Constitution [XINHUA]	25
Legislators Favor Amendments [XINHUA]	26
Constitution Revision Expected [CHINA DAILY 15 Feb]	27
Eighth NPC Planned for 15 Mar [XINHUA]	27
Death Penalty Proposed for Fatal Drugs [CHINA DAILY 15 Feb]	28
Draft Laws Submitted [XINHUA]	28
Draft Corporate Law Submitted [XINHUA]	29
Draft Trademark Law Submitted [XINHUA]	29
Li Peng Submits Agriculture Law [XINHUA]	29
Report on Macao Basic Law Amendments [XINHUA]	30
Reporters Welcomed To Cover NPC, CPPCC Sessions [XINHUA]	31
CPPCC Proposals Over Past Five Years Noted [XINHUA]	31
CPPCC Proposals Enhance Science, Technology [XINHUA]	32
CPPCC Standing Committee Meeting Held [XINHUA]	33
8th CPPCC To Meet 14 Mar [XINHUA]	34
8th CPPCC Candidates Proposed [XINHUA]	34
Fight Against Abduction, Prostitution Stressed [XINHUA]	34
Social Development Research Program Progresses [RENMIN RIBAO 6 Feb]	35
State Statistics Should Serve Market Economy [XINHUA]	36

Economic & Agricultural

Official Says Foreign Debt 'Under Control' [XINHUA]	36
Foreign Exchange Balance Declines in 1992 [CHINA DAILY 16 Feb]	36
Foreign Exchange 'Swap Market' Marks Expansion [XINHUA]	37
Bank of China Director on Monetary Policy [ZHONGGUO TONGXUN SHE]	37
Limits for International Transport of Renminbi [XINHUA]	38
Government Attempts Free Exchange for Renminbi [XINHUA]	38
Article Examines Growing Capital Market [Hong Kong LIAOWANG OVERSEAS EDITION 8 Feb]	38
Machinery, Electronic Products Exports Increase [XINHUA]	41
Industrial Output Reaches Record Level in 1992 [CHINA DAILY (BUSINESS WEEKLY) 14-20 Feb]	41
Trade Volume in Open Coastal Cities Grows [XINHUA]	42
'Commentary' on Transport Sector 'Bottleneck' [XINHUA]	42
Energy Price Decontrol To Increase Costs [Hong Kong MING PAO 9 Feb]	43
Peasants 'Dissatisfied' With Growing Wealth Gap [AFP]	44
Agricultural Production 'Booming' in Coast Areas [ZHONGGUO XINWEN SHE]	44

Timber Imports To Fill 'Huge Gap' in Needs [CHINA DAILY (BUSINESS WEEKLY) 14-20 Feb]	45
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REGIONAL AFFAIRS

East Region

Reportage on Anhui People's Congress Session	46
Namelist of Presidium Published [ANHUI RIBAO 30 Jan]	46
Opening of Congress Noted [ANHUI RIBAO 31 Jan]	46
Government Work Report Adopted [Hefei Radio]	48
Resolution on Economic, Social Plans [Hefei Radio]	49
1992, 1993 Budget Resolution Approved [Hefei Radio]	49
Standing Committee Work Report Adopted [Hefei Radio]	50
Session Closes After Electing Leaders [Hefei Radio]	50
Lu Rongjing, Fu Xishou at Foreign Affairs Conference [ANHUI RIBAO 28 Jan]	51

Central-South Region

Guangxi Pushing Reform Despite 'Overheating' [Hong Kong SOUTH CHINA MORNING POST 16 Feb]	51
Guangxi Chairman Address Economic Reform Meeting [Nanning Radio]	52
Illegal Emigration Case Uncovered in Guangxi [ZHONGGUO TONGXUN SHE]	53
Hainan Secretary Urges Overseas Publicity Drive [Haikou Radio]	53
Hainan Vice Governor on Foreign Affairs Work [Haikou Radio]	54
Further Remarks Noted [Haikou Radio]	54
Henan Reports Rise in Credit, Loans in 1992 [Zhengzhou Radio]	54

North Region

Daily on New Beijing Mayor, Congress Chairman [RENMIN RIBAO 6 Feb]	55
Beijing's Chen Xitong Urges Modern Management [XINHUA]	55
Foreign Investment in Beijing Real Estate Sought [Beijing Radio]	55
Tianjin's Ye Disheng Interviewed on Opening Up [XINHUA]	56
Foreign Investment in Tianjin Enterprises Increasing [XINHUA]	56
Tianjin Foreign Firms' Taxes Increase in 1992 [Tianjin Radio]	57
Tianjin Economic, Technical Zone Output Increases [CEI Database]	57
Tianjin Plans New Financial Reform Measures [XINHUA]	57
Tianjin Holds Urban Construction Work Conference [Tianjin Radio]	58
Former Tianjin Advisory Commission Chairman Dies [Tianjin Radio]	58

Northeast Region

Heilongjiang Policy To Attract Returned Students [Harbin Radio]	58
Heilongjiang Secretary Seeks To 'Purify' Cadres [Harbin Radio]	59
Heilongjiang Survey Shows Economic Dissatisfaction [Harbin Radio]	59
Heilongjiang's Fuyuan Port Opens Up to Outside [Harbin Radio]	59
Jilin Secretary Speaks at Political, Legal Conference [Changchun Radio]	59
Jilin Conference Defines 1993 Reform Tasks [Changchun Radio]	60
Liaoning Secretary Fights Local Protectionism [Shenyang Radio]	61

Northwest Region

Xinjiang's Song Hanliang Outlines 1993 Work [XINJIANG RIBAO 24 Jan]	61
Chairman Gives Festival Speech [XINJIANG RIBAO 25 Jan]	62
Tomur Dawamat Outlines Government Work [XINJIANG RIBAO 19 Jan]	63
Tomur Dawamat Chairs Xinjiang Planning Meeting [Urumqi TV]	65
Addresses Planning Tasks [Urumqi TV]	65

TAIWAN

U.S. Group Cites Taiwan on Copyright Violations [Taipei Radio]	67
Official on Potential Sanctions [CNA]	67
Government, Legislature Consult [Taipei Radio]	67
Lawmakers Call U.S. 'Unfair' [CNA]	68
East Asian Farmer Groups Oppose Rice Imports [CNA]	69
Chien Fu 'Secretly' Visits Indonesia, Japan [Taipei Radio]	69
German Lobby Hopes To Sell Warships to Taipei [CNA]	70
French Government To Issue Visas in Taipei [CNA]	70
Taiwan-ROK Agreements To Remain in Effect [CNA]	70
Opposition Leader Supports Dialogue With Beijing [Tokyo KYODO]	70
PRC Official Denies Proposing Triparty Talks [CNA]	71
Jiang Zemin Expected To Head Party Taiwan Group [LIEN HO PAO 1 Feb]	71
Official on Security of Investments in Mainland [CNA]	72

HONG KONG & MACAO

Hong Kong

PRC Reportedly Agrees to Negotiations With UK [Hong Kong CHING CHI JIH PAO 13 Feb] ...	73
Contacts 'Underway' in Beijing [AFP]	73
PRC Spokesman Denies 'Rumor' [XINHUA]	74
XINHUA Dismisses 'Rumor' [Hong Kong TA KUNG PAO 16 Feb]	74
Patten 'Spreading Rumors' [AFP]	75

General

Officials 'Angrily' Refuse Chinese Boat People

HK1402011793 Hong Kong *SOUTH CHINA SUNDAY MORNING POST* in English 14 Feb 93 p 1

[“Exclusive” article by Peter Woolrich and Michael Chugani]

[Text] The Hong Kong Government has angrily refused to bow to international pressure to offer sanctuary to the 500 Chinese boat people languishing in the middle of the Pacific.

Details of the United State's behind-the-scenes plea to the territory come as worldwide diplomatic negotiations involving six governments continue the debate over what to do with the hundreds of Chinese migrants stranded aboard ships across the world.

The issue has gone all the way to the White House and it is believed the outcome could be crucial in shaping U.S. President Mr Bill Clinton's future immigration policy.

Meanwhile, The Sunday Morning Post has learned of another vessel with 300 Chinese nationals trapped on board which has been detained by Kenyan authorities in Mombasa since October last year, and may be there for several months to come.

A number of young girls believed to be “sex slaves” have been found on board.

The U.S. request for assistance from Hong Kong to take the passengers from the freighter East Wood, has been rejected, with Government officials citing U.S. criticism of the way the territory handled the Vietnamese boat people.

One Hong Kong official said: “Cast your mind back to how the U.S. treated us over the Vietnamese boat people. They must be joking.” Others have claimed they felt as if they had been slapped in the face by the U.S..

The U.S. criticised Hong Kong's decision to mandatorily repatriate screened out Vietnamese, and has kept up pressure on its boat people policy.

It asked Hong Kong to “help them out of a very tight spot” in the middle of last week, citing the Government's experience with screening the Vietnamese as making it particular suitable to take them.

It is believed negotiations were done through the office of Political Adviser Mr William Ehrman, with Governor Mr Chris Patten kept informed.

Hong Kong Government representative and former refugee spokesman Mr Mike Hanson reacted bitterly to the suggestion that Hong Kong should take the 500 boat people from the East Wood.

“I think Hong Kong has dealt with more than its fair share of boat people of one kind or another over the

years. I can see no case whatsoever in international law or the refugee convention to take these people,” he said.

“They are clearly the responsibility of China or the U.S., not Hong Kong.”

According to Hong Kong Government sources, the immigrants from the East Wood have been taken ashore to a U.S. military base in the Marshall Islands after an outbreak of disease.

They have been living in appalling conditions without sanitation facilities in the hold of the vessel, since setting sail from Hong Kong in late December. The U.S. is accommodating them in tents on the Marshall atoll of Kwajalein.

The U.S. claims it felt compelled on a humanitarian basis to rescue the stricken ship and ensure the welfare of those aboard, especially after reports of a mutiny.

But it has landed it with a diplomatic hot potato.

Officials of the White House National Security Council met last week to discuss what the U.S. should do to deal with the problem. One source said the first step had to be humanitarian, making sure the aliens were safe and fed.

“It's a very, very, difficult problem,” he said.

“Until they have been questioned in detail it is difficult to decide how to classify them.

“Are they illegal aliens, mutineers, or passengers of a ship?”

He said if they hadn't come from a communist country it would be much easier to send them back, as has been the case with those fleeing to the U.S. from Haiti.

One of the first things the U.S. did was bring in the flag carrier of the East Wood, Panama. The central American country agreed to get involved in negotiations with the both the U.S. and China.

The U.S. is thought to be putting pressure on Panama to accept and screen the migrants, and send back any that do not meet political refugee status.

Panama has also been dealing with the lawyers of the Doo Woo Shipping company in Hong Kong, which operates the East Wood, for the return of the 500 to China.

The owner of the boat is said to be a Panamanian company called East Wood Line SA, which is believed to have paid US\$10,000 (HK\$78,000) to cover the cost of food delivered by the U.S. Coast Guard. The company may also be helping out with transport costs.

Editorial on Boat People

HK1402015093 Hong Kong *SOUTH CHINA SUNDAY MORNING POST* in English 14 Feb 93 p 12

[Editorial: “China's Boat People”]

[Text] There can be few sadder sights than those depicted by photographers allowed into the bellies of the freighters now plying the oceans in increasing numbers with cargoes that comprise Chinese illegal immigrants.

Their meagre savings have been spent buying tickets from racketeers selling pipe-dreams of freedom and wealth. The journey involves weeks on iron bunk beds with pitiful rations.

More often than not, thanks to sophisticated satellite tracking and the ships' poor repair, they end up trapped thousands of kilometres from their destination, the unwanted dupes of a heartless trade.

Now their numbers have swelled to a point where they are a real international embarrassment and an important first test of relations between the United States' new administration and leaders in Beijing.

But there may be a way to nip what appears a crisis in the making in the bud. Since Vietnam agreed to accept its citizens returned by compulsory repatriation, the numbers of those prepared to attempt the journey to the West has shrunk to nothing.

The U.S. may be reluctant to send Chinese illegal immigrants straight back to their homeland for political reasons. It must do so nonetheless. And Beijing must accept them to demonstrate such attempts are a waste of time and money.

Beijing must also be aided by stricter policing in those areas—Singapore, Taiwan and Hong Kong chief among them—where this sickening business has been allowed to flourish.

Envoy Reports to UN Commission on Rights

*OW1202201493 Beijing XINHUA in English 1994
GMT 12 Feb 93*

[Text] Geneva, February 12 (XINHUA)—The right to development and the right to existence are still the foremost human rights, a Chinese official today told the United Nations Commission on Human Rights.

"To realize the right to development is, therefore, one of the most pressing issues facing the international community today," Chinese alternate representative Pang Sen told the 49th session of the Commission.

As an inalienable human right, the right to development has been recognized by an overwhelming majority of states since the adoption of declaration on the right to development seven years ago.

"Yet, the goal for the right to development is far from attainment and various obstacles to that right still exist," noted Pang.

He explained, "In today's world, many developing countries are developing at a very slow pace...the number of the least developed countries have grown to 47..."

The right to development is reflected in the whole process of a country or a nation's efforts to build up a high-degree spiritual and material civilization, Pang stressed.

He said, it is not only an individual human right, but also a collective one, because the realization of such a right will enable the "overwhelming majority" of the world population to fully enjoy all human rights.

The human being is the subject of development, everyone should be an active participant and beneficiary of development, Pang emphasized.

"The individual development plays an important role in propelling and promoting the development of a country or a nation," he said, adding that the development of a nation and that of an individual are "interdependent and complementary."

For the realization of the right to development, the establishment of a new international political and economic order constitutes an indispensable prerequisite, the Chinese alternate representative said.

"The growing imbalance, increasing injustice in the world economic structure and the widening gap between North and South have hindered the efforts by the developing countries in getting rid of poverty and backwardness..."

These elements remain the largest obstacles to the realization of the right to development, Pang indicated.

Meanwhile, the existing colonialism, racism, power politics, foreign aggression and occupation, violation of state sovereignty and territorial integrity and interference in internal affairs of other states constitute the political obstacles to the realization.

Therefore, he said, China calls for elimination of these obstacles to create favorable international political environment for realizing the right to development.

"International economic environment should be improved so as to alleviate and gradually eliminate the detrimental factors restricting the development of the developing countries."

However, Pang said, "At the same time, we are strongly opposed to the practices of attaching political conditions to assistance to developing countries."

"The development of all countries are interdependent and complementary," he pointed out.

"The development of developing countries will contribute to the prosperity, further development of developed countries," he said.

"The prosperity and development of a few countries can not be sustained on the basis of the long-term underdevelopment and poverty of the majority of other countries."

"The common prosperity and development of both developing and developed countries and the universal

realization of human rights and fundamental freedoms for mankind will be the ultimate goal of full achievement of the right to development," he concluded.

UN Urges Israel To Allow Return of Deportees

OW1302025493 Beijing XINHUA in English 0242
GMT 13 Feb 93

[Text] United Nations, February 12 (XINHUA)—The UN Security Council today urged Israel to allow the return of all the Palestinian deportees "expeditiously" as soon as possible.

Briefing reporters after his meeting with Israeli Ambassador Gad Ya'aqobi this evening, the Council president of the month, Moroccan Ambassador Ahmed Senoussi, said the council acknowledged the decision of the Israeli Government to allow the return of 101 deportees which "represents a step in the right direction."

He said the members of the Security Council are convinced of the necessity of the Middle East peace process continuing and urged all concerned to redouble their efforts to invigorate that process in order to achieve "a just, lasting and comprehensive peace" in the region.

Meanwhile, the Israeli ambassador said, "We hope that now we will be able to renew peace talks between Israel and its neighbors. We believe this issue is now removed finally from the agenda of the Security Council of the United Nations."

He added that he hoped all parties concerned to the peace talks will take part in this process for "there is no alternative" to peace for all the states in the Middle East, including Israel and Palestine.

More than 400 Palestinians were deported to southern Lebanon on December 17 in a crackdown on Muslim fundamentalist groups that Israel blamed for the deaths of six Israeli soldiers earlier that month.

On the following day, the UN Security Council adopted Resolution 799, condemning the action taken by Israel and demanded that Israel ensure the safe and immediate return of all those deported to the occupied territories.

On February 1, the Israeli Government decided to let 101 of the deportees return immediately and repatriate the rest by the end of this year. The offer, however, was rejected by the deportees and the Arab world.

A statement of the Palestine Liberation Organization (PLO) on February 5 said unless Resolution 799 has been fully implemented Palestine can not continue to take part in the Middle East peace talks.

On Thursday [11 February], Israeli Foreign Minister Shimon Peres, in a tete-a-tete, explained his government's decision on the deportees to UN Secretary-General Butrus Butrus-Ghali. The UN chief responded by saying that it is "a positive action as a first step."

At the meeting, both sides stressed the importance of resuming the Middle East peace talks, and Butrus-Ghali welcomed the interest of the Israeli Government in increasing cooperation with the United Nations.

The secretary-general also stated that he had fulfilled the mandate entrusted to him by the Security Council by sending three missions to Israel and presenting his report on the matter to the council.

'News Analysis' on U.S.-EC 'Trade Frictions'

OW1402123593 Beijing XINHUA Domestic Service in Chinese 0916 GMT 3 Feb 93

["News Analysis" by XINHUA reporter Sun Weijia (1327 4580 0163): "Trade Frictions Between the United States and Europe Intensify"]

[Text] Brussels, 2 Feb (XINHUA)—On 1 February the U.S. Administration announced a decision to bar companies from the EC from bidding on U.S. Government contracts for products and services in the United States; this is a punitive measure against the EC's policies of "discriminatory tendencies." This decision is another measure of trade sanctions against the EC, following the 27 January announcement on a steep antidumping tax of 109 percent on imported rolled steel from 19 countries, including the EC.

The latest action taken by the United States has aroused the EC's strong dissatisfaction. In a statement issued on 2 February, 12 EC states firmly condemned the U.S. trade protectionist action, and declared that any intimidation by trade sanction is unacceptable to the EC, which reserves the right to take necessary retaliatory measures.

This action shows in itself that the U.S. decision to take punitive measures is apparently directed at an EC decree implemented since January 1993. Under the decree, the governments of the 12 EC states cannot sign purchase contracts of foreign goods with less than 50 percent of "parts and components manufactured by the EC," while giving priority to EC products and services when the bidding price of EC companies is less than 3 percent higher than that of foreign companies. In fact, the United States has set much more stringent restrictions in this latter area; the U.S. law provides its enterprises with protection in price disparities of up to 12-25 percent.

In essence, the focus of trade frictions between Europe and the United States lies in market share. Government procurement in communications, energy, and transportation markets, where the latest dispute is involved, can yield enormous economic profits. With its advanced technology and rich capital, the United States has been a strong contender in these areas. Consider the telecommunications industry, for example. For a long time, a few large enterprises in the United States have taken over the manufacturing and installation of communications equipment and operations of the industry, monopolizing the domestic market and allowing European

enterprises no access. With the gradual saturation of the domestic market, U.S. enterprises have shifted their targets to the European market, where demand keeps rising, and have become a threat to Europe's telecommunications industry within a short period of a few years. According to statistics, the United States exports \$730 million annually in telecommunications equipment to the EC, while importing \$380 million from Europe, enjoying a favorable balance of \$350 million and occupying 40 percent of the EC market. The EC has great potential for developing communications, energy, and transportation industries, whose production value constitutes only 15 percent of the EC's gross national product. Therefore, the EC naturally cannot remain indifferent and allow U.S. enterprises to take over such potentially profitable industries.

Hence, we can see that actions taken by both the EC and the United States under such circumstances are actually identical to each other, that is, reinforcing the protectionist measures for domestic markets while urging the other side to improve the conditions for market access. As a result, "clashes" are unavoidable. Especially in view of the current general economic depression in the West, both sides want to increase exports to invigorate their respective domestic economies, thus intensifying trade frictions.

From the EC perspective, though the two successive punitive measures taken by the new U.S. Administration during the past two weeks are the result of a continuation of the policy of the previous administration, these actions are sufficient cause for the EC's vigilance and misgivings toward Clinton's trade policy. Therefore, the EC has decided to adopt a prudent and yet tough stance toward the U.S. trade protectionist offensive. On the one hand, while preparing for necessary trade retaliatory measures, the EC has clearly indicated that U.S. trade protectionism is unacceptable. On the other hand, the EC has urged the United States to continue negotiations and has worked hard to reach an agreement on the issues of the dispute and to avoid the breakout of a trade war which would be detrimental to both sides.

Observers here believe that the current duel in trade between the EC and the United States is more of a "psychological war" to learn the other side's strength than an actual trade war, and that because of the constraint of enormous economic profits, a large-scale trade war between Europe and the United States is unlikely to happen.

XINHUA on U.S. Troop Commitment in Europe

OW1402110493 Beijing XINHUA Domestic Service in Chinese 0109 GMT 11 Feb 93

["Consolidated report" by XINHUA reporter Li Hubin (2621 5170 0365): "Reduction of U.S. Military Expenditures and Western European Security"]

[Text] Brussels, 10 Feb (XINHUA)—On 2 February Les Aspin, the new U.S. secretary of defense, sent to the U.S.

Congress a memorandum on the defense budget proposing a \$10.8 billion reduction in military expenditures in the next fiscal year. The plan calls for reducing U.S. troops stationed in Europe to 100,000 or so by 1996. On 8 February, a specific program was submitted by the U.S. military establishment as a supplement to Aspin's memorandum.

It seems inevitable that the United States will withdraw its troops from Europe on a large scale. Aspin's memorandum also indicates that the new U.S. Administration will take a bigger step than the Bush administration in withdrawing troops from Europe. What are the responses from America's European allies?

America's European allies have recently served notice time and again that "Americans cannot leave." At an international security forum held in Munich on 6 February, leaders of the UK, France, Germany, and other European countries again called on the new U.S. Administration not to ignore U.S. responsibility toward European security and defense when it considers reducing U.S. troops in the region.

It is not difficult to understand the concern of America's European allies. We can find the cause of this concern simply by looking at East Europe's current situation and West Europe's self-defense capabilities.

With the end of the cold war, the chance of a large-scale war in Europe was reduced; yet a new series of challenges to security in the European continent also emerged. Because of social, economic, ethnic, and religious causes, regional conflicts continued to escalate in East Europe and in some of the regions of the former Soviet Union, and these conflicts threaten to spread to other areas. Turbulence in East Europe has created a direct and serious threat to western European security.

America's European allies are generally concerned that they do not possess the ability to protect European security in the face of the instability that has emerged in the region. This lack of ability was proven by the EC's failure to mediate conflicts in the former Yugoslavia on several occasions, and by helplessness on the part of the Conference on Security and Development in Europe and the Western European Union. Although the 12 EC countries put forth a plan at the Maastricht Summit at the end of 1991 to implement a common defense and security policy and to strengthen the role of the Western European Union, EC's defense arm, both EC and the Western European Union have so far failed to demonstrate by their action their "credibility" and "potential" in the area of common security and defense policies.

West Europe, particularly France and unified Germany, wants to free itself from American control and acquire greater decisionmaking power in its own defense. However, practice in the last two years has shown that the ideal of West Europe establishing a common foreign, security, and defense policy cannot be achieved overnight; it requires long-term efforts. Therefore, for the time being, West Europe cannot but continue to hold on to NATO, the "most

reliable security tree," and seek security protection from the United States, the alliance's leader. France, which has stayed outside NATO's integrated military structure, is now willing to hand over the command of the French and German "European Army" to NATO. This indicates France's intention to draw itself closer to NATO, and it is also a clear indication of the kind of thinking possessed by Western European countries.

However, with Clinton assuming power and making "revitalizing the domestic economy the top priority," is the United States willing to continue pouring huge amounts of manpower and financial resources to commit itself to the defense of its allies in West Europe?

Analysts believe that in consideration of America's political and economic interests in Europe, the Clinton administration will not completely abandon its defense commitment to Europe. However, with the reduction of American troops in Europe, defense and security links between Europe and the United States may become increasingly loosened.

Presidents Clinton, Mitterrand Discuss Bosnia'

OW1502214593 Beijing XINHUA in English 2128
GMT 15 Feb 93

[Text] Washington, February 15 (XINHUA)—U.S. President Bill Clinton and French President Francois Mitterrand discussed the Bosnian crisis during a telephone conversation today.

White House communications director George Stephanopoulos said "President Mitterrand welcomed the U.S. approach (towards Bosnia)."

Last Wednesday, U.S. secretary of state announced a six-point plan on solving the bloodshed in Bosnia-Herzegovina, vowing to take "active" role in the negotiations and "possible military actions" to enforce any peace agreement.

Reginald Bartholomew, the U.S. ambassador to the North Atlantic Treaty Organization, was named special U.N. envoy to join international mediators Lord Owen and Cyrus Vance in their efforts to find an end to the fighting in the former Yugoslav republic.

Earlier, the United States had been trying to press for the military enforcement of the U.N.-sanctioned "no-fly zone" over Bosnia and the lifting of arms embargo against Bosnia warring factions, but Washington backed off in its latest Bosnian policy announcement.

The French, with some 4,700 troops under the U.N. protection force in Bosnia, have been reluctant to support either military intervention in the Balkan republic or an end to the arms embargo for fear of retaliation against the soldiers.

Besides Bosnia, the two leaders also "very briefly" discussed Vietnam, where Mitterrand toured last week, Stephanopoulos said.

Lebanese Minister: Christopher Visit 'Welcome'

OW1302005393 Beijing XINHUA in English 1934
GMT 12 Feb 93

[Text] Beirut, February 12 (XINHUA)—Foreign Minister Faris Buwayz said today that his country expects the United States to listen to its views on regional and international issues.

Buwayz told reporters following a meeting with U.S. Ambassador to Beirut Ryan Crocker that Lebanon would welcome a visit by American Secretary of State Warren Christopher during his upcoming Middle East tour.

"If the tour included Lebanon, it would be most welcome, but if not, we would not regret," said the foreign minister.

Lebanon has officially requested that it be included in Christopher's tour, scheduled to begin on February 17. But the U.S. Administration has not yet given a reply.

Buwayz said the visit to Lebanon would give Washington an opportunity to listen to the Lebanese views on regional and international issues.

Christopher is to visit Israel, Egypt, Syria, Jordan and Saudi Arabia in his first foreign tour aimed at reactivating the Mideast peace talks stalled since Israel's December 17 deportation of more than 400 Palestinians to south Lebanon.

Unconfirmed reports said Christopher would not stop in Lebanon but preferred to meet Buwayz in another Arab capital.

For the Lebanese, holding the meeting within their borders is an important reassertion of its national sovereignty following the anarchy of the 15-year civil war which ended two years ago.

A similar controversy occurred last July ahead of a visit by former Secretary of State James Baker, who preferred to meet Buwayz only at an unnamed Arab capital. But Buwayz refused. The dispute was settled when Baker agreed to a meeting in Lebanon's Bekaa Valley.

U.S. officials still consider Beirut a dangerous city, though the militias that terrorized the capital for 15 years have been disarmed.

Washington ordered a ban on travel to Lebanon by U.S. citizens in 1985 after a TWA jetliner was hijacked to Beirut. In the incident, a U.S. navy diver was killed and the other passengers were held hostage for 17 days.

Since the civil war ended, President Ilyas al-Hirawi's government has been seeking to have the ban lifted.

United States & Canada

'Change,' 'Fairness' Themes of Clinton Address

OW1302211093 Beijing XINHUA in English 2048
GMT 13 Feb 93

[Text] Washington, February 13 (XINHUA)—U.S. President Bill Clinton today told the American people that he will restore fairness to the tax code by increasing the burden on the wealthy.

"I will keep my pledge to restore fairness to the tax code," Clinton said. "We will raise taxes on the wealthiest individuals and companies in society."

In his second radio address, Clinton returned to his campaign theme of change, saying, "change is never easy. It requires us to forsake the old order and to embrace a new one. Change means asking everyone to pull his or her own weight for the common good. But change is our only choice."

The President made the address after two meetings, one with his chief economic advisers and a second with another small group of junior congressmen.

At a photo session before a Roosevelt Room meeting with his advisers, Clinton said the economic plan wasn't finished yet, "otherwise, I wouldn't be asking them to meet on Saturday."

Support Sought in TV Speech

OW1602074793 Beijing XINHUA in English 0633
GMT 16 Feb 93

[Text] Washington, February 15 (XINHUA)—President Bill Clinton, in a prime time speech Monday [15 February] night, summoned American people to "a call to arms" with a plan to revive the U.S. economy through a package of spending cuts and painful tax increases.

"We have to face the fact that to make changes our country needs, more Americans must contribute today so that all Americans can do better tomorrow," Clinton said in his first nationally televised address from the Oval Office since being sworn in January 20.

Clinton gave no specifics on the economic plan he will unveil to a joint session of Congress Wednesday [17 February] night.

Instead, he said he was turning to the American people for strength and support, and was hoping to enlist them in his cause for changing the country's course.

Over the past 12 years, he said, "the federal deficit has roared out of control."

"Big tax cuts for the wealthy, growth in government spending, and soaring health care costs all have caused the federal deficit to explode. Our debt is now four times as big as it was in 1980," Clinton added.

Clinton and other officials already have outlined plans for roughly 500 billion dollars in tax increases and spending reductions on many popular programs over four years to cut the deficit, coupled with a short-term stimulus package worth about 31 billion dollars.

Clinton told reporters this morning his Wednesday speech will be among the most important events in his political life. In the days following the speech, Clinton and his cabinet will barnstorm the country to sell the economic plans.

Qian Qichen Receives, Fetes Alexander Haig

OW1502131193 Beijing XINHUA in English 1247
GMT 15 Feb 93

[Text] Beijing, February 15 (XINHUA)—Chinese Foreign Minister Qian Qichen met with Alexander Haig, former secretary of state of the United States, at the State Guesthouse here this afternoon.

According to a Chinese official present at the meeting, the two sides exchanged views on Sino-U.S. relations and international situation. Qian also briefed Haig on the new developments of China's reform and opening to the outside world.

Chinese Vice-Foreign Minister Liu Huaqiu was present.

After the meeting, Qian hosted a dinner in Haig's honor.

Haig and his party arrived here this afternoon as guests of the Chinese Foreign Ministry.

NPC Official Meets Haig

OW1602074493 Beijing XINHUA in English 0656
GMT 16 Feb 93

[Text] Beijing, February 16 (XINHUA)—Rong Yiren, vice-chairman of the Standing Committee of the National People's Congress of China, met with Alexander Haig, former U.S. secretary of state, here today.

Rong, also chairman of the board of directors of the China International Trust and Investment Corporation, exchanged views with Haig on further developing Sino-U.S. economic and trade relations.

Rong also briefed his guest about China's situation on accelerating its reform and opening process and economic construction.

Central Eurasia

Police Probe 'Fake Liquor' After Russians Die

OW1602082993 Tokyo KYODO in English 0753 GMT
16 Feb 93

[Text] Beijing, Feb. 16 KYODO—Chinese police are investigating reports a consignment of fake liquor sold to Russia has claimed 428 lives, a Foreign Ministry spokesman said Tuesday [16 February].

"If the reports are true, China will mete out severe punishment to the culprits," the spokesman said.

The official CHINA YOUTH NEWS reported Tuesday that 428 Russians have died to date after drinking poisonous alcohol containing large quantities of ether. Most of the deaths occurred in the Russian Far East in the Amur region which borders northeast China.

The death toll was released February 8 by the Russian Security Ministry's Social Liaison Center, the paper said, adding that levels of ether and other toxic substances in the alcohol were between 27 and 49 times higher than acceptable national standards.

Russian press reports say the lethal brew was contained in a consignment of 2.3 million liters of fiery alcohol imported by more than 50 local companies.

Alluding to a far wider problem, the CHINA YOUTH NEWS said all manner of substandard Chinese goods have been entering Russia, causing considerable resentment among local citizens.

"In recent years, the reputation of Chinese goods on the Russian market has been seriously tarnished," the paper said.

The Ministry spokesman admitted that sales of poor quality Chinese goods at inflated prices have been entering Russia to the detriment of bilateral relations.

"We hope joint efforts by both sides will take effective measures [as received] to ensure that bilateral trade and economic cooperation develop in a normal and stable fashion," the spokesman said.

In another development, China's parliament is considering legislation that would make the manufacture of fake medicines and deadly goods a capital offense, the CHINA DAILY reported Tuesday.

The proposed legislation comes after numerous consumer complaints ranging from faulty shower heaters which electrocuted people to poisonous medicines and alcohol.

"If the poisoning results in death, offenders can (in the future) be sentenced to life imprisonment, or executed," the CHINA DAILY said.

Last December, China executed a sales manager who amassed 530,000 dollars by selling imitation 'maotai,' the nation's most famous liquor.

Reportage on Russian Communist Party Congress

Opening Noted

OW1302193093 Beijing XINHUA in English 1614
GMT 13 Feb 93

[Text] Moscow, February 13 (XINHUA)—The second extraordinary congress of the Russian Communist Party

opened in the suburb of Moscow today to discuss its party rules and elect leading bodies.

The congress is attended by 650 delegates from all over the country, including Valentin Kuptsov, one of former Russian Communist Party leaders.

Recently released inmates, Anatoliy Lukyanov, Gen-nadiy Yanayev, Oleg Baklanov, Oleg Sheinin, Yuriy Plekhanov, Vladimir Kryuchkov and Vasilii Starodubtsev also attended the congress.

Valentin Kuptsov, former first secretary of the Central Committee of the Russian Federation Communist Party and chairman of the organizing committee for the convocation of the party's second congress, made a speech and outlined basic orientations for the actions of the party.

He stressed that they should not only restore the Communist Party but also should rehabilitate the communist movement.

Party Urges State Socialism

OW1402030893 Beijing XINHUA in English 0213
GMT 14 Feb 93

[Text] Moscow, February 13 (XINHUA)—The Russian Communist Party said Saturday [13 February] it will try to stop a national referendum scheduled for April and call for an early presidential election.

The messages came from the second extraordinary conference of the Russian Communist Party which was held Saturday in a hotel in a Moscow suburb.

V. Kuptsov, chairman of the conference organizational committee, said in a report the only way for Russia to revive itself is to take the socialist road and resume Soviet power.

The party will fight for an early presidential election through which it hopes to change the country's power structure, he said.

The Justice Ministry had rejected a party request to hold the meeting in Moscow proper on the ground that the conference's aim was to revive the Communist Party, and therefore was unconstitutional.

But the Constitutional Court, which has final legislative power, ruled the conference is legal and gave it the green light.

The conference was attended by about 650 delegates representing 500,000 party members nationwide, Kuptsov said.

New Party Leader Elected

OW1502034993 Beijing XINHUA in English 0258
GMT 15 Feb 93

[Text] Moscow, February 14 (XINHUA)—The Russian Communist Party ended its second emergency meeting

of representatives today after electing Gennadiy Dzyugannov its leader and passing a political document.

Dzyugannov, leader of the Russian Salvation Front, was elected chairman of the 89-member Central Executive Committee of the Russian Communist Party.

In the political declaration, the party said to adhere to socialism, prevent national capitalization, establish a planned market economy and sign new relationship treaties among the CIS states are its fundamental tasks.

It pledged to work under the principles put forth by Vladimir Lenin and play the role of an opposition party.

The meeting, bringing together about 650 participants from all over Russia, began on February 13, one week after the Constitutional Court ruled that Yeltsin was wrong to ban the Salvation Front last year.

The Central Executive Committee, under collective leadership, includes former Soviet parliament leader Anatoliy Lukyanov and First Secretary of former Russian Communist Party Valentin Aleksandrovich Kuptsov.

Kuptsov, chairman of the meeting, said that the 500,000-strong party would become Russia's biggest party after its restructuring.

Russian Consul on Planned Information Exchange
OW1302193593 Beijing XINHUA in English 1506
GMT 13 Feb 93

[Text] Shenyang, February 13 (XINHUA)—A Sino-Russian information exchange meeting will be held in Shenyang, capital of northeast China's Liaoning Province, on April 1.

This was announced yesterday by Andrew Lazykin, consul with the Russian Consulate General in Shenyang. The consul said that the meeting was aimed at enhancing understanding and increasing economic activities and trade between China and Russia.

According to Lazykin, trade between China and Russia reached five billion U.S. dollars last year. Trade between Russia and China's three northeastern provinces made up 70 percent of the total.

The consul said that leaders of over 100 enterprises, headed by senior economic and trade officials, from six prefectures in the Russian Far East would attend the meeting.

Local Chinese officials added that about 300 Chinese firms had expressed keen interest in the meeting.

New Lithuanian Leader Willing To Develop Ties
OW1502191593 Beijing XINHUA in English 1518
GMT 15 Feb 93

[Text] Vilnius, Lithuania, February 15 (XINHUA)—Lithuania's newly-elected President Algirdas Brazauskas

said today that his country was willing to develop an all-round relationship with the People's Republic of China.

"I hope the bilateral cooperation will be strengthened in politics, economy and other fields," he told XINHUA at a press conference today after he won victory in Lithuania's first direct presidential election since independence in 1991.

He said, "China has gained successful experience in developing township enterprises. And Lithuania can learn and follow such examples."

The president-elect also mentioned his domestic and foreign policies at the press conference. He promised to put economic reform on top of his agenda.

Meanwhile, Brazauskas stressed the need to increase state support for agriculture and put the land to more effective use. He also called for acceleration in industrial reform and the privatization process.

On relations with neighbouring countries, Brazauskas said he hoped to strengthen cooperation with Russia and make contact with Polish President Lech Walesa as soon as possible to sign a bilateral friendship treaty.

The president-elect also called for an improvement in relations with Western nations and welcomed businessmen from them to invest in Lithuania.

Northeast Asia

Japan Expresses 'Active Support' for GATT Bid
OW1202212093 Beijing XINHUA Domestic Service in
Chinese 1427 GMT 12 Feb 93

[Text] Beijing, 12 Dec (XINHUA)—To advance the process of reinstating China as a GATT signatory, the Japanese Government has decided to initiate talks with China on tariff and nontariff reductions.

Japan officially announced this decision yesterday, as Chinese and Japanese officials held bilateral consultations in Beijing on restoring China's GATT status.

It is understood that Li Lanqing, minister of the Ministry of Foreign Economic Relations and Trade [MOFERT], wrote to the Japanese minister of foreign affairs on 8 January, in an effort to advance China's "GATT reinstatement" process. He expressed the hope that Japan could play a constructive role in restoring China's GATT status. On 11 February, Masamichi Ishikawa, senior aide on GATT affairs to the Economic Affairs Bureau under Japan's Ministry of Foreign Affairs, led a Japanese Government delegation to Beijing to hold bilateral consultations on this matter with Long Yongtu, director of MOFERT's International Economic Relations and Trade Department.

During the consultations, the Japanese interlocutor, Masamichi Ishikawa, relayed a letter from Michio Watanabe, Japanese minister of foreign affairs, to Director Long Yongtu, secretary general of China's delegation to the talks on resuming GATT status. The letter, which was in response to Minister Li Lanqing, explicitly signaled Japan's active support for China's efforts at "GATT reinstatement," highly acclaimed the decision adopted by the 14th CPC National Congress on building a socialist market economy, and officially announced Japan's plans to open talks with China—at the latter's invitation—on tariff and nontariff reductions. Moreover, Japan also made proposals for substantive bilateral talks.

Long Yongtu welcomed and expressed appreciation for Japan's plans to open talks with China on tariff reductions. He said: This is a major practical step taken by Japan to support China's "GATT reinstatement."

He also expounded to Japan the following principles of China for the talks on tariff reductions: introducing tariff reductions in accordance with GATT practice. He said: China may consider holding more consultations with Japan on tariff reductions in Geneva during the middle of March. Afterward, China will send a delegation to Tokyo to hold the first round of talks on tariff reductions with Japan.

The two sides expounded their basic positions on talks regarding the protocol on China's "GATT reinstatement."

Long Yongtu emphasized that the protocol should maintain a balance between rights and obligations. He said: China's reasonable demands, including that for unconditional most-favored-nation status, should be fully reflected in the protocol.

In his closing remarks, Ishikawa confirmed: Japan's indication of its intention in the letter to open talks with China on tariff reductions itself signifies that Japan will not invoke the mutually inapplicable provisions in Article 35 of GATT. It also demonstrates that Japan will unconditionally grant China most-favored-nation status after the latter "rejoins GATT."

In conclusion, the two sides indicated the need to maintain contact, to make active preparations, and to open talks at the earliest possible date as a way of promoting China's early "reinstatement to GATT."

Tariff Talks 'To Start'

*HK1302031093 Beijing CHINA DAILY in English
13 Feb 93 p 2*

[Report by staff reporter Wang Yong: "Bilateral Tariff Talks Agreed to by Japan"]

[Text] Japan has agreed to start bilateral negotiations with China on tariff and non-tariff concessions at the request of the Chinese side.

The announcement was made in Beijing on Thursday [11 February] when a high-level Japanese delegation met

with Chinese officials to discuss this country's bid to rejoin the General Agreement on Tariffs and Trade (GATT).

The delegation was led by Masamichi Ishikawa, senior assistant for Gatt, Economic Affairs Bureau of the Japanese Ministry of Foreign Affairs.

The announcement indicated Japan's readiness to grant China unconditional most-favoured-nation status and that Japan will not resort to Gatt's Article 35 of Non-Application.

Analysts described the announcement by the Japanese side as "of great significance," and made only after Japan weighed the pluses and minuses involved.

Chinese officials welcomed the promise of bilateral talks as "a substantial step" taken by Japan to support China's bid to re-enter Gatt. Japan is a major contracting member of Gatt and an important trading partner of China.

Analysts said the promise could stimulate the United States and the European Community to follow suit.

During the talks, Japan and China expressed hope for continued consultations with each other in preparation for early, full-scale bilateral talks.

Japan proposed that China provide it with foreign trade statistics covering the last three or four years, so that Japan could study them.

Japan also suggested that the coming bilateral talks should include non-tariff factors like the establishment of quotas.

The first round of bilateral talks could possibly be held in Tokyo after China responds to Japan's demands, said Japanese delegates.

Chinese officials from General Customs said China would provide Japan with China's import and export figures as soon as possible.

Moreover, the officials made it clear that China would negotiate with Japan on bilateral tariff and non-tariff concessions in accordance with Gatt rules.

China would like to consider having further consultations with Japan in Geneva sometime around March when the 13th Working Party on China by Gatt convenes.

As for the protocol on China's reentry to Gatt, Chinese officials stressed that it should stipulate that China will enjoy unconditional most-favoured-nation status.

The just-concluded talks between Japan and China this week followed China's recent call for Japan to use its influence in backing China's reentry to Gatt.

In a letter to China, Japan paid tribute to the establishment of a socialist market system in China.

Further on Tariff Talks

*OW1302153593 Beijing XINHUA in English 1458
GMT 13 Feb 93*

[Text] Beijing, February 13 (XINHUA)—The Japanese Government has decided to begin negotiations with China on tariff and non-tariff concessions.

The decision was announced here by the Japanese side on Thursday [11 February], when a Japanese Government delegation held consultations with Chinese officials on issues related to resumption of China's membership in the General Agreement on Tariffs and Trade (GATT).

Chinese official sources said in order to promote the process of China's rejoining GATT, Chinese Minister of Foreign Economic Relations and Trade Li Lanqing sent a letter to Japanese Foreign Minister Michio Watanabe on January 8 that stated the hope that the Japanese side will play a constructive role in talks on the issue.

On February 11, a Japanese Government delegation headed by Masamichi Ishikawa, senior assistant for GATT in the Economic Affairs Bureau of the Japanese Ministry of Foreign Affairs, held consultations here with Long Yongtu, director of the Department of the International Economic Relations and Trade.

During the consultations, Ishikawa handed Long Yongtu, also secretary-general of the Chinese delegation for negotiations, a return letter from Japanese Foreign Minister Watanabe to Chinese Minister Li Lanqing.

The letter clearly showed that Japan will make positive efforts to support China's rejoining GATT as early as possible and formally announced that Japan will start its negotiations with China on tariff and non-tariff concessions at China's request.

Meanwhile, the Japanese side also raised suggestions on specific issues related to negotiations.

Long welcomed the promise of bilateral talks as "a substantial step" taken by Japan to support China's bid to re-enter GATT.

He also expounded China's principles on the negotiations, namely that the negotiations should be held in accordance with the GATT convention.

He said China would like to consider having further consultations with Japan in Geneva in mid-March. China will also send a delegation to the first round of negotiations with the Japanese side in Tokyo.

As for the protocol on China's re-entry into GATT, Long said the protocol should maintain a balance between rights and obligations.

China's reasonable requests, including enjoying most-favored-nation trade status without preconditions, should be fully reflected in the protocol, he added.

Ishikawa said Japan's readiness to hold negotiations with China indicates that the Japanese side will not resort to use of GATT's article 35 on non-application, and Japan also has made it clear that it will grant China most-favored-nation status without preconditions after China's re-entry into GATT.

The two sides agreed that they will maintain contacts and prepare for negotiations to promote China's re-entry into GATT as early as possible.

West Europe**Reports on Spanish Prime Minister Gonzalez' Visit****Urges More Investment in China**

OW1402142593 Beijing XINHUA Domestic Service in Chinese 0416 GMT 10 Feb 93

[By reporter Li Guorong (2621 0948 2837)]

[Text] New Delhi, 9 Feb (XINHUA)—Spanish Prime Minister Gonzalez stated at a news conference here today that Spanish investments in China have increased continually.

He made the above statement in reply to a reporter's question. According to the prime minister, Spanish investments in China have increased at least five to six times in the past several years.

He said: "Our relations with China are based on mutual trust and confidence." He urged Spanish entrepreneurs to invest more in China.

Meets Jiang Zemin

*OW1202141393 Beijing XINHUA in English 1357
GMT 12 Feb 93*

[Text] Beijing, February 12 (XINHUA)—Visiting Spanish Prime Minister Felipe Gonzalez said here today that Spanish-Chinese relations have entered a new stage.

Gonzalez made the statement during his meeting with Chinese Communist Party (CPC) General Secretary Jiang Zemin.

Jiang and Gonzalez met for the first time in Shanghai when Gonzalez visited China in 1985. Jiang said he was happy to meet again with Gonzalez, an old friend.

Jiang said it is significant that Prime Minister Gonzalez visited China to mark the 20th anniversary of diplomatic relations between the two countries.

Jiang said bilateral relations have developed smoothly over the past 20 years and that the exchange of visits between leaders of the two countries have promoted Sino-Spanish ties.

Jiang added that Spain, with its long history, has contributed a great deal to the treasure-house of world culture, and thus has promoted human civilization and advancement.

Jiang also expressed appreciation to Gonzalez for his efforts in developing Sino-Spanish relations.

Gonzalez said that remarkable changes have taken place in China since his last visit. He was quoted by a Chinese Foreign Ministry official as saying that Spain closely follows China's development and understands the historic goals China has set.

The prime minister said he was satisfied with the development of bilateral relations, and added that "Spanish-Chinese relations have entered a new stage."

Speaking of last year's 14th CPC National Congress, Jiang said the congress systematically summarized Deng Xiaoping's theory on the building of socialism with Chinese characteristics, and established the socialist market economy as the goal of economic reform.

Gonzalez briefed Jiang on Spain's economic and social development.

Jiang asked Gonzalez to convey his regards to the king of Spain.

Jiang met with Gonzalez and his party at the Diaoyutai State Guesthouse in western Beijing. Chinese Vice-Premier Zou Jiahua was present at the meeting.

Talks With Zhu Rongji

OW1202143793 Beijing XINHUA in English 1413
GMT 12 Feb 93

[Text] Beijing, February 12 (XINHUA)—Chinese Vice-Premier Zhu Rongji expressed the hope here today that China and Spain would explore new potential areas of cooperation while maintaining the current momentum of developing bilateral ties.

Zhu made the remarks here this afternoon in a meeting with Spanish Prime Minister Felipe Gonzalez and his party at the Diaoyutai State Guesthouse.

"We hope that both sides will jointly explore new possibilities in economic and trade cooperation, and, in the meantime, maintain and develop the current momentum in the development of bilateral links in economics, technology and other fields," Zhu said.

Zhu noted that China and Spain are friends. The visit to China by the Spanish prime minister to mark the 20th anniversary of the establishment of diplomatic ties will "inject new vitality into the overall and in-depth development of bilateral relations," Zhu said.

Zhu recalled his trip to Spain in 1991, when he was the mayor of Shanghai. "The visit impressed me deeply," he said. The achievements Spain scored in developing its economy "command our admiration," he added.

Chinese officials quoted Gonzalez as saying that on his trip to Shanghai in 1985, he received an initial impression of the energetic pace of development there. During the current trip, Gonzalez said, "I saw great changes here."

Gonzalez noted that Spain and China each have an ancient culture and that bilateral ties have been developing smoothly in the recent past.

"We are very interested in the reforms here and are willing to promote further development of economic and technological cooperation," Gonzalez said.

During the meeting, Zhu also briefed the Spanish guests on China's economic development, reform and opening process.

Yang Taifang, chairman of the Chinese Government Reception Committee and minister of posts and telecommunications, and Spanish Foreign Minister Javier Solana were among those present at the meeting.

Chinese Minister of Chemical Industry Gu Xiulian also met with the Spanish Minister of Industry, Commerce and Tourism Claudio Aranzadi today.

Madrid TV on Zhu Meeting

LD1202162593 Madrid TVE Internacional Television
in Spanish 1400 GMT 12 Feb 93

[Text] [Announcer] Today, on the penultimate day of his visit to China, Felipe Gonzalez met with Vice Premier Zhu Rongji, with whom—and later with the media—Felipe Gonzalez commented on the difficulties involved in the process of a democratic opening in the PRC. Although the day's talks were more political than economic, the first steps were taken to formalize a future agreement between the two countries for the Spanish Aeronautics Construction Company to participate with China in a technology transfer and aircraft construction program. Amalia Sampedro reports:

[Sampedro] Felipe Gonzalez met with Zhu Rongji, the vice premier in charge of the special economic zones and the main protagonist of the opening toward a free market. The so-called Chinese Gorbachev is the only one of the politicians capable of incorporating reformist and democratic ideas into the current process. In political circles he is also considered to be one of the possible successors of Li Peng at the head of the government.

While he toured the Summer Palace on the outskirts of Beijing, Felipe Gonzalez remarked informally that the transition to real political reform is a delicate process because of the complexity of the country and the Chinese people.

Although today has been above all a political day, everything is ready for the signing tomorrow of a substantial line of credit that will permit new Spanish exports to China. In addition to this, there is support for one of the most

important aims of this government: That Beijing should be the venue for the Olympics in the year 2000.

At present Beijing is competing with other cities in the world to become the venue for the games, and among them Sydney in Australia seems to have a good chance. Felipe Gonzalez recounted the ups and downs of the Barcelona Olympics to the mayor of Beijing, whom he encouraged to prepare for this experience.

[Begin Gonzalez recording] I think that it is an extremely interesting experience for any city that hosts it, and for any country that hosts it. Without doubt it is the most global event of our time, so you can say that there is a before and an after of the Olympic Games for the city that hosts them. [end recording]

[Sampedro] The prime minister continues to be satisfied with the results of his visit, which ends tomorrow with the signing of a series of trade agreements and a new financial program; this line of credit envisages facilities of up to 60 billion pesetas for the next two years.

Interviewed by Newsmen

OW1302095693 Beijing XINHUA in English 0924 GMT 13 Feb 93

[Text] Beijing, February 13 (XINHUA)—Spanish Prime Minister Felipe Gonzalez, speaking of his four-day official visit to China today, said "an important step" has been taken in relations between Spain and China.

Gonzalez was speaking to reporters from XINHUA and China Radio International.

A good foundation had been laid which was "positive and promising," he said. This extended to both governments, with business circles of the two countries sharing enthusiasm for developing economic cooperation.

On the prospect of bilateral ties, an interpreter quoted him as saying that "an important and crucial step" had been taken in the relationship which will continue to expand in the future.

Discussing Spain's involvement in China's modernization, he said "quality and quantity" were both important. Cooperation will not only support China's economic development, but also benefit Spain, he said.

Referring to the agreements signed during the visit, he said these will increase Spain's investment in and cooperation with China and lead to greater Spanish involvement in China's development.

Gonzalez, noting that China's economic growth is reputed to be the fastest in the world, said its forceful reform and opening was apparent to all, including the European nations.

Gonzalez, who visited China in 1985, does not have time to visit provincial areas. However he said from what he

had seen in the Chinese capital the development of the economy and the improvement in the people's livelihood was obvious.

He indicated that development of China's ties with Spain, a member of the European Community (EC), will naturally contribute to a general growth in China's relations with the EC.

Comments on Bilateral Ties

OW1402171393 Beijing Radio Beijing in Mandarin to Asia 0900 GMT 14 Feb 93

[From the "Report on Current Events" program]

[Text] Spanish Prime Minister Gonzalez said a major step has been made in Spanish-Chinese relations. He made these remarks in a 13 February interview with a reporter of the China International Broadcasting Station at the Diaoyutai Guesthouse, where he stayed.

Prime Minister Gonzalez said: As of now, a good foundation has been established in the development of Chinese-Spanish relations. This is a positive relationship that promises a great future. Now, in addition to the excellent relationships between the governments of the two countries, business circles in the two countries are also showing a keen interest in developing cooperation.

Commenting on his current visit and looking forward to the future of bilateral relations, he said: It is my belief that a major, crucial step has been taken in Spanish-Chinese relations. Such relations have seen great progress in years past, and they will continue to grow in the days to come.

Speaking on Spain's participation in China's modernization program, he said: Quality and quantity are equally important. Cooperation in this regard has not only helped China's economic development but also benefited Spain immensely. During the visit, the two sides signed a number of agreements aimed at increasing Spain's investment in China and expanding bilateral cooperation. Spain will increase its participation in China's construction.

Gonzalez said: European nations know very well that China is one of the fastest growing economies in the world. Its policy of reform and opening is robust and energetic. The spectacular and enormous changes that are under way in China are evident for all Chinese to see.

Prime Minister Gonzalez, who visited China in 1985, said although he did not have the opportunity to visit other parts of the country during his current visit, what he saw and heard in Beijing enabled him to have a sense of the progress in China's economic development and the improvements in the people's living standards.

As for the impact of his visit on the development of relations between China and the EC, he said development in China's relationship with individual EC member countries implies development of relations with

the EC as a whole. Development of Spain's—an EC member—relations with China will certainly be conducive to the development of China's relations with the EC as whole.

Views 'Successful' Visit

OW1302140193 Beijing XINHUA in English 1346
GMT 13 Feb 93

[Text] Beijing, February 13 (XINHUA)—Spanish Prime Minister Felipe Gonzalez, addressing a press conference prior to his departure this afternoon, called his four-day official visit to China "short, but successful."

Recently, Spain and China have enjoyed "close and frequent" high-level contacts, said Gonzalez, which have formed a sound basis for developing bilateral cooperation in the economic, trade, scientific, technological and judicial fields.

This relationship will develop toward a higher level and wider spheres, he said.

China's ties with Spain, both as an individual nation and as a European Community (EC) member, have undergone fresh growth, he noted, and added that Spain will seek further cooperation with China to advance such ties.

Gonzalez said that although investing in China, as in any other area, involved some risks, investors should choose those regions that are likely to maintain long-term economic growth, and that China is just one of those regions.

Asked whether the EC will lift existing sanctions against China any time soon, Gonzalez pointed to the considerable development of China's relations with the organization. "In fact," he said, "the EC's sanctions against China no longer exist" in a real sense.

"There is a tendency to gradually lift the sanctions against China," a Chinese interpreter quoted him as saying. With increased contacts, deepened mutual understanding and expanded political and economic ties, restrictions on China "no longer make any sense," he said.

Since observations in the past few years have shown that the mode of development China has chosen for itself is "successful, feasible and best suits it," he said, the world should watch China's progress with patience.

An unstable China will produce an impact on the whole world, while a developing China represents an important factor for world stability, he said.

Officials Sign Agreements

OW1302131993 Beijing XINHUA in English 1252
GMT 13 Feb 93

[Text] Beijing, February 13 (XINHUA)—Chinese State Councillor Song Jian and Chinese Minister of Foreign

Economic Relations and Trade Li Lanqing met separately with Spanish Foreign Minister Javier Solana and Minister of Industry, Commerce and Tourism Claudio Aranzadi here this morning.

Song, who is also minister in charge of the State Science and Technology Commission, and Solana expressed satisfaction with existing cooperative ties in the fields of science and technology, and said that Sino-Spanish cooperation had borne rich fruit.

They said they believed that the scope of cooperation between the two nations is becoming both deeper and wider. Prospects for further cooperation are broad, they said.

During his meeting with Aranzadi, Li Lanqing said that as the economy develops, China would increase imports from abroad, which will include the purchase of more Spanish products. In addition to machinery, China would like to import steel and chemical products from Spain, Li said.

To further enhance bilateral economic and trade relations, China and Spain should diversify the form of economic and trade ties, he said.

He suggested that the two countries should expand scientific and technological cooperation and set up joint ventures.

Aranzadi expressed agreement with Li's suggestions, and added that bilateral economic and trade would surely be enhanced after the visit of Spanish Prime Minister Felipe Gonzalez here.

Li Peng Says Farewell

OW1302100193 Beijing XINHUA in English 0933
GMT 13 Feb 93

[Text] Beijing, February 13 (XINHUA)—Spanish Prime Minister Felipe Gonzalez wound up his four-day visit to China and left Beijing for home today after a series of talks and meetings with Chinese leaders and attending a ceremony to sign documents on bilateral cooperation.

Chinese Premier Li Peng bid farewell to Gonzalez at the state guesthouse here this morning.

Li Peng said that Gonzalez's visit to China "marks a big step forward" in the development of Sino-Spanish ties, especially ties in the fields of economy and trade.

Gonzalez said that Spain attaches importance to its friendship with China and will continue pushing forward bilateral ties of cooperation.

On behalf of Chinese President Yang Shangkun, Li Peng invited Spanish king and queen to visit China, saying he hopes the visit will be made at an early date.

Earlier, Li and Gonzalez attended a ceremony signing a governmental agreement and six other agreements on bilateral cooperation in the fields of food processing, telecommunications and power industry.

Gonzalez Returns to Spain

*OW1402142293 Beijing XINHUA in English 1407
GMT 14 Feb 93*

[Text] Madrid, February 14 (XINHUA)—Spanish Prime Minister Felipe Gonzalez Marquez returned here today after first visiting India and then, for four days, China.

He had been accompanied by Foreign Affairs Minister Javier Solana and Industry, Commerce and Tourism Minister Claudio Aramzadi.

On the return flight, the prime minister's plane made a short stop in Moscow, where he met with Russian Deputy Prime Minister Vladimir Shumeyko.

PRC, Spanish Businessmen Explore Cooperation

OW1202132893 Beijing XINHUA Domestic Service in Chinese 0949 GMT 11 Feb 93

[By reporter Che Shuming (6508 2579 2494)]

[Text] Beijing, 11 Feb (XINHUA)—While Spanish Prime Minister Gonzalez is visiting China, the second meeting of the PRC-Spain Entrepreneurs Cooperation Committee—a meeting sponsored by the China Council for the Promotion of International Trade and the Spanish Business Shipping Federation—took place in Beijing today. At the meeting, more than 250 businessmen of the two countries had extensive and in-depth discussions on issues concerning the two countries' economic and trade relations and economic and technical cooperation.

The two countries have achieved significant successes in their economic cooperation and trade since the establishment of diplomatic ties in 1973. Bilateral trade reached a record \$684 million in 1992 from \$2 million annually before the establishment of diplomatic ties. Since the two countries started their economic and technical cooperation in 1984, Spain has set up 15 offices and 27 joint ventures in China, and China has also invested in more than 10 projects in Spain. The two countries' cooperation extended to financial and banking sectors in 1985. By the end of 1992, the Spanish Government had extended \$1.5 billion of mixed loans to China, instilling vitality into more than 100 large, medium-sized, and small construction projects in the fields of chemical industry, telecommunications, machinery, energy, food processing, and medical equipment.

The representatives at the meeting maintained unanimously that Spain is an economically developed member of the European Community, and while the two countries' friendly contacts have grown, the level of their economic and technical cooperation is incompatible with the level of their economic and trade development. They said: Since the economies of the two countries are complementary, the prospects of their cooperation are bright. In the future, businessmen of the two countries should have closer ties and continue to broaden the

sphere of cooperation so that a higher level of economic and technical cooperation can be attained.

[Beijing Central People's Radio Network in Mandarin at 1030 GMT on 11 February, in a similar report, adds: "Premier Li Peng and Prime Minister Gonzalez attended and addressed the meeting."]

East Europe**Albanian Foreign Minister Alfred Serreqi Arrives**

*OW1102182593 Beijing XINHUA in English 1343
GMT 11 Feb 93*

[Text] Beijing, February 11 (XINHUA)—Albanian Foreign Minister Alfred Serreqi arrived here this evening on a week-long visit to China at the invitation of Qian Qichen, state councillor and foreign minister.

It is learned that Serreqi will exchange views with Chinese leaders on bilateral political and economic relations as well as on international issues of common concern.

During Serreqi's visit, the two sides will also sign agreements on economic and trade relations and investment protection between the two countries.

Serreqi and his party were greeted at the airport by Chinese Assistant Foreign Minister Dai Bingguo and others.

Meets Qian Qichen

*OW1202130293 Beijing XINHUA in English 1239
GMT 12 Feb 93*

[Text] Beijing, February 12 (XINHUA)—Chinese State Councillor and Foreign Minister Qian Qichen said here today that two countries can maintain and develop their friendly cooperative relations as long as they strictly abide by the Five Principles of Peaceful Co-existence, despite their differences in social systems, ideologies and values.

Qian made the remark when he held talks with visiting Albanian Foreign Minister Alfred Serreqi at the Diaoyutai Guesthouse here this morning.

During the talks, the two foreign ministers expressed their satisfaction over the present development of the bilateral relations.

Qian said that the Chinese Government attaches great importance to its relations with Albania. He said that China always holds that all countries, big or small, are equal.

Qian said that China and Albania had traditional friendly cooperative relations with no conflicts of interests. He said that China respect Albanian people's choice and is willing to develop political, economic and trade and cultural relations on the basis of mutual benefits.

Serreqi said that Albanian people cherish the traditional friendship and effective cooperation with the Chinese people.

He said that the Albanian Government attaches great importance to China's position as "a big nation" and its constructive role in international affairs.

He expressed his admiration at the great achievements in China's reform and opening to the outside world and in its economic construction during recent years.

Serreqi hoped that through his current visit, the bilateral relations will be further developed on basis of mutual respect and non-interference in each other's internal affairs.

Serreqi briefed Qian on the conflicts of the former Yugoslavia. Albania holds that conflicts and crises of the region should be solved by peaceful avenues, he said. Now the further expanding of the war should be prevented.

Qian expounded China's principled stand on solving the crises and conflicts of the former Yugoslavia. He said that China supports all the efforts which promote the peaceful settlement of the crises and conflicts and hopes they can be solved at an early date.

The two ministers also briefed each other on the domestic situations of their respective countries.

Talks With Li Peng

OW1302091593 Beijing XINHUA in English 0858
GMT 13 Feb 93

[Text] Beijing, February 13 (XINHUA)—Chinese Premier Li Peng said here today that changes in both the international situation and in Albania will not obstruct the development of Sino-Albanian relations.

At a meeting with the visiting Albanian Foreign Minister, Alfred Serreqi, Li said the international situation, as well as the social system and ideology of Albania had changed, but "will not become obstacles in the development of friendly relations and cooperation between the two countries".

"We are pleased to see that bilateral relations are beginning to grow favorably," Li said.

The premier told Serreqi that China was consistent in its stand to develop friendly relations and cooperation with all countries in the world on the basis of the Five Principles of Peaceful Co-existence.

Serreqi, whose delegation is the first sent to China by the new Albanian Government, said he hoped the visit will be a new start in bilateral relations.

According to a Chinese Foreign Ministry source, the foreign minister said that Albania attached importance to relations with China and valued China's role in international affairs.

Albania appreciates China's reform achievements and opening to the outside world and is ready to develop friendly relations with China on an equal and mutually beneficial basis, Serreqi said.

Li and Serreqi also exchanged views on the situation in the former Yugoslavia. Both expressed the hope that the problem would be solved through political discussions and peaceful negotiations.

PRC, Albania Sign Pacts

OW1302101593 Beijing XINHUA in English 0959
GMT 13 Feb 93

[Text] Beijing, February 13 (XINHUA)—An agreement on the encouragement and mutual protection of investment and another on bilateral trade between the Chinese and the Albanian Governments were signed here today.

Chinese Minister of Foreign Economic Relations and Trade Li Lanqing and visiting Albanian Foreign Minister Alfred Serreqi were present at the signing ceremony of the agreements.

Earlier, Li said during a brief meeting with Serreqi that the prospect for Sino-Albanian economic and trade cooperation is optimistic since the two countries are both implementing market economy.

Li said the two agreements provided the legal basis for the development of bilateral trade.

Serreqi said changes have taken place in both Albania and China, and the possibility for cooperation has increased.

Following the signing ceremony, Gu Yongjiang, Chinese vice-minister of foreign economic relations and trade, had talks with his Albanian counterpart Naske Afezolli.

The Albanian officials will leave Beijing for Guangzhou tonight.

Serreqi Meets Song Jian

OW1302113793 Beijing XINHUA in English 1125
GMT 13 Feb 93

[Text] Beijing, February 13 (XINHUA)—A senior Chinese official said here today that China is ready to develop mutually beneficial cooperation with Albania, including cooperation in scientific and technological fields.

Song Jian, state councillor and minister in charge of the State Science and Technology Commission, said this while meeting with Albanian foreign minister, Alfred Serreqi.

Scientific and technological cooperation between China and Albania will benefit economic construction of both countries, said Song, who is a scientist himself.

Chinese officials said Song expressed the hope that Serreqi's visit will promote exchanges between the scientific circles of the two countries.

Serreqi said Albanian-Chinese relations had made new progress in recent years.

He said that Albania appreciated China's achievements in economic construction and in science and technology. Albania is ready to develop cooperation with China in trade, science and technology and economic affairs.

Serreqi and his delegation is the first sent to China by the new government in Albania.

Serreqi is scheduled to meet China's foreign trade minister, Li Lanqing.

Envoy Calls on Czech Republic President Havel

*OW'1602021493 Beijing XINHUA in English 0158
GMT 16 Feb 93*

[Text] Prague, February 15 (XINHUA)—President of the Czech Republic Vaclav Havel told Chinese Ambassador Wan Yongxiang here today that his country wanted to further promote relations with China.

He said trade between the two countries is mutually supplementary, so the two countries have broad prospects for cooperation.

Havel thanked China for its prompt recognition of the Czech Republic soon after the republic's independence. He also praised China for its reforms, open policy and its great achievements made in recent years.

The Chinese ambassador will soon leave for home, completing his term of office here.

Political & Social

Former BEIJING RIBAO Editor Qi Lin Paroled

HK1602004793 Hong Kong MING PAO in Chinese
13 Feb 93 p 43

[“Dispatch from Beijing” by Lin Ling (2651 7227): “Editor Qi Lin Released on Parole for Medical Treatment, Hopes To Take Up Journalism Again”]

[Text] Qi Lin [4362 2651], the former BEIJING RIBAO editor who was released on parole for medical treatment last summer, has been convalescing at home for six months. He has been hoping that he will be able to take up journalism again but has been unable to find a job. He now hopes that the state will approve privately run newspapers in a few years so that he will be able to realize his aspirations.

Qi Lin is 38 years old. He was apprehended by the authorities in 1991 on charges of disclosing state secrets, because he had contributed an article to the overseas press which revealed the penalty imposed on Hu Jiwei, a former National People's Congress Standing Committee member. Qi Lin was sentenced to four years' imprisonment last April, a sentence which he would serve until 1995. Taking his serious diabetes into account, the authorities released him on parole for medical treatment late last June.

Upon his release, Qi Lin hoped that he could return to his old job. He stated, however, that this seemed unlikely to happen at that time, because none of the state-run units would hire him. He indicated his belief that China's situation is currently in a stage of rapid development, and, perhaps by 1995—when his sentence has expired—China will permit privately run newspapers, and, hopefully, he will be able to take up journalistic work anew.

Qi Lin has a wife and a child, and, now that he is unemployed, he must rely on the aid of some of their good friends to pay for the medical expenses from his diabetes treatment.

Dai Qing Refused Work on Return From U.S.

HK1502140293 Hong Kong AFP in English 1329 GMT
15 Feb 93

[Text] Beijing, Feb 15 (AFP)—Dissident journalist Dai Qing is questioning the Chinese government's sincerity in urging overseas students to return home after her newspaper refused to reinstate her upon her return from studies in the United States. The Guangming Daily [GUANGMING RIBAO], a major communist party newspaper, sent an official to Dai on Monday to tell her that it no longer considered her an employee, she said, adding the official did not provide a clear reason for the decision.

“Doesn't this decision violate the spirit of the government's statement half a year ago to welcome overseas

students home after the completion of their studies, as well as its pledge to arrange work for them?” Dai asked. The 50-year-old former columnist said that, under newspaper rules, she was asked to sign a document resigning from her post before she was allowed to study abroad, but did not realize that the resignation was permanent. She also noted the Chinese government's “white paper” on human rights states that the right to exist and the right to work are the most basic of human rights.

Dai returned to Beijing on February 2 after completing a year-long fellowship at Harvard University in the United States. She had been active in the 1989 Tiananmen Square democracy movement and was jailed for 10 months for allegedly slandering the government and belonging to an illegal organization, charges she said were never proved.

Chinese Premier Li Peng and other leaders said last year that regardless of their past political actions, Chinese students and scholars abroad are welcome to return home to help the country's economic construction. “Despite it all, I'd still rather believe that the government's attitude of welcoming students and scholars home—regardless of their political attitudes—is sincere and that it keeps its word,” she said.

Dai said her work as a journalist was widely acknowledged as exemplary and she believed the reason the Guangming Daily refused to take her back was political. The newspaper stopped paying Dai's salary after she was jailed following the June 4, 1989 crackdown. In September that year, it printed an article denouncing her as a “stooge of reactionary forces at home and abroad.”

Dissidents Note Political Relaxation in Shanghai

HK1602010493 Hong Kong MING PAO in Chinese
15 Feb 93 p 8

[“Special article” by Lin Ling (2651 7227): “Fu Shenqi, Pro-Democracy Activist in Shanghai, To Be Released”]

[Text] After the release on parole of Wang Xizhe, a pro-democracy activist in Guangzhou, Fu Shenqi, a pro-democracy activist in Shanghai, may also be released. Yesterday, Yang Zhou and other pro-democracy activists in Shanghai publicly asked the authorities to release Fu Shenqi at a democracy forum held in Shanghai's Fuxing Park. Yang Zhou indicated that if the authorities released Fu Shenqi, he would be willing to disband the democracy forum in Fuxing Park and change the form of their activities.

Fu Shenqi, 39, was arrested in May 1991 for running an underground pro-democracy magazine. He has been in jail for nearly 20 months. In March last year, he was tried in court, but no sentence has yet been passed on him. His wife, Li Liping, has not been allowed to see him. Fu suffers from a serious stomach disease.

A few months ago, Li Liping brought materials for everyday use to the prison. There, she saw only a photo

of Fu and found out that he was in good spirits. During the recent Spring Festival period, prisoners' relatives were allowed to send large quantities of cakes and everyday materials to prisoners. After Fu was arrested, Li Liping repeatedly filed petitions, but she has received no reply from the authorities.

Fu Shenqi was one of the famous pro-democracy activists of the "Democracy Wall" movement in the late seventies. He was the chief editor of such pro-democracy magazines as MINZHU ZHI SHENG [VOICE OF DEMOCRACY] and ZEREN [RESPONSIBILITY], and was imprisoned for five and a half years. After his release, he ran a small book stall and led a plain and frugal life with his wife and child. After the 4 June Incident, he bravely appeared to run an underground pro-democracy magazine. He was arrested once again. Zhang Rujuan, another pro-democracy activist, was also arrested for being involved in the same case and has not been released yet.

Yang Zhou and other pro-democracy activists in Shanghai began holding the "democracy salon" once a week in Shanghai's Fuxing Park. They have also continuously called for the release of Fu Shenqi. Recently, the authorities concerned tried to find out what the reaction would be if Fu was released through Yang Zhou's friend.

Yang Zhou indicated that pro-democracy activists in Shanghai hope to carry out open and legal activities and have no intention of carrying out illegal activities. He also said that a principle of democracy is compromise. They hope to seek common points with reformists inside the CPC and hoped that the authorities would create a more relaxed atmosphere in the aspect of human rights by releasing political prisoners without involving themselves in violence.

According to Yang Zhou, the authorities concerned in Shanghai recently slightly relaxed the atmosphere in the aspect of human rights. For example, a young student from a minority nationality in Guizhou was dismissed from art school for being involved in the 1989 pro-democracy movement and was detained for two months in October 1992 for participating in the "democracy salon" in Fuxing Park. He was released last December and went back to Guizhou. After Spring Festival, he was allowed to return to Shanghai to seek a job. In addition, Yang Zhou said, according to the young man from Guizhou, a senior public security official who specializes in dealing with pro-democracy activists became less rude toward them. Yang Zhou said that, according to some sources, it seems that the Chinese authorities are trying to create a more relaxed political atmosphere for opening up in Shanghai.

Protection of Foreign Drug Patents Ordinances
HK1602061993 Beijing FAZHI RIBAO in Chinese
30 Jan 93 p 2

["Ordinances on Administrative Protection on Pharmaceuticals (Promulgated 24 December 1992 by the State Pharmaceutical Administration)"]

[Text] Part 1. Preamble

Article 1: These ordinances are drafted for the purposes of expanding economic and technological cooperation and exchanges with the outside world and providing administrative protection for the legal rights and interests of the foreign sole proprietors of pharmaceuticals.

Article 2: Pharmaceuticals in these ordinances refer to medicines used by human beings.

Article 3: Companies in countries or regions, organizations, and individuals having signed bilateral treaties or accords with the PRC on administrative protection of pharmaceuticals can all petition for pharmaceutical administrative protection in accordance with these ordinances.

Article 4: Petitions for pharmaceutical administrative protection will be accepted, scrutinized, and examined by State Council administrative departments in charge of drug production and operations, which will give administrative protection for drugs qualified under these ordinances and award petitioners a certificate of pharmaceutical administrative protection.

Part 2. Petitions for Administrative Protection

Article 5: Pharmaceuticals under administrative protection petitioning should have the following conditions:

Section 1: Drugs for which sole proprietorship was not under protection before 1 January 1993 under the provisions of the China Patent Law.

Section 2: Drugs over which sole proprietorship was obtained between 1 January 1986 and 1 January 1993 banning other people from manufacturing, using, or selling the drug in the home country of the petitioner.

Section 3: Drugs which are not on sale in China prior to the administrative protection petition day.

Article 6: The right to petition for administrative pharmaceutical protection resides in the drug's sole proprietor.

Article 7: A foreign sole proprietor of a drug should entrust his administrative protection petition to agents designated by State Council administrative departments in charge of drug production and operations.

Article 8: Petitioners should tender the following documents in Chinese and native-language versions:

Section 1: Application forms for administrative pharmaceutical protection;

Section 2: Copies of the documents issued by the concerned departments of the petitioner's home country certifying the sole proprietorship of the drug under petition.

Section 3: Copies of the documents issued by the concerned departments of the petitioner's home country certifying permission for the manufacture and sale of the drug under petition.

Section 4: Copies of an officially signed contract on the sale of the drug within China's territory between the petitioner and a Chinese corporate entity (including foreign-capital enterprises, Sino-foreign joint ventures, and Sino-foreign joint-operation enterprises) who has obtained permission for the manufacture or sale of the drug in accordance with relevant Chinese law and rules and regulations.

Article 9: Prior to or following the petition for pharmaceutical administrative protection, the sole proprietor of a foreign drug should apply to State Council public health sectors for permission to manufacture or sell the drug within China's territory in compliance with the provisions of the "PRC Pharmaceutical Administration Law."

Part 3. Scrutiny, Examination, and Approval of Administrative Protection

Article 10: The State Council administrative departments in charge of drug production and operations will conduct preliminary examination and scrutiny within 15 days after it has received the petition documents for administrative protection, and will make any one of the following arrangements subject to individual situations:

Section 1: Issuing and promulgating a letter of acceptance and when petition documents fulfil the requirements of Article Eight.

Section 2: Demanding petitioner to make supplements and corrections when petition documents do not fulfil the requirements of Article 8. Failure to comply with the demand will render the petition null and void.

Article 11: State Council administrative departments in charge of drug production and operations should complete all the scrutiny and examination within six months after it has received petition documents or, in accordance with Section 2, Article 10, the supplementary and corrected documents. When scrutiny and examination cannot be completed within six months due to special circumstances, State Council administrative departments in charge of drug production and operations should promptly notify the petitioner of the reasons, and suitably lengthen the scrutiny and examination time.

Following scrutiny and examination, administrative protection will be granted to petitions which meet the requirements of the ordinances. Petitions which fail to meet the requirements will not be given administrative protection, and the concerned will be notified of the reasons.

Article 12: The State Council administrative department in charge of drug production and operations should issue and promulgate a certificate of administrative pharmaceutical protection to those granted the protection.

Part 4. The Length, Termination, Revocation, and Validity of Administrative Protection

Article 13: The length of pharmaceutical administrative protection is seven years and six months, beginning on

the date of the issuance of the pharmaceutical administrative protection certificate.

Article 14: The sole proprietors of foreign drugs should begin their annual fee payment the year when the pharmaceutical administrative protection certificate is issued.

Article 15: Any one of the following conditions will render administrative protection terminated before its expiry date:

Section 1: Sole proprietorship of the drug becomes null or void in the home country of the petitioner.

Section 2: The sole proprietor of the drug fails to pay the required annual fee for administrative protection.

Section 3: The sole proprietor of the drug declares in written form that he foregoes administrative protection.

Section 4: The sole proprietor of the drug fails to apply to State Council public health sectors for permission to manufacture or sell the drug within China's territory one year after being awarded pharmaceutical administrative protection certificate.

Article 16: After the pharmaceutical administrative protection certificate has been issued, organizations or individuals who hold that the granting of administrative protection to a particular drug does not accord with the provisions of these ordinances, can request the State Council administrative departments in charge of drug production and operations to withdraw administrative protection on drug. The sole proprietor of the drug can file lawsuits with a people's court if he does not accept the withdrawal decision of the State Council administrative department in charge of drug production and operations.

Article 17: Termination or revocation of pharmaceutical administrative protection is promulgated by the State Council administrative departments in charge of drug production and operations.

Article 18: The State Council public health sector and its provincial, autonomous regional, and municipal counterparts shall not approve other individuals to manufacture or sell a drug under pharmaceutical administrative protection without the permission of the drug's sole proprietor.

Article 19: The sole proprietor of a drug can request State Council administrative departments in charge of drug production and operations to stop such infringement on his right as the manufacturing or sale of his drug under pharmaceutical administrative protection without his permission. He can also file lawsuits with the people's court for economic damages.

Part Five. Supplementary Articles

Article 20: State Council administrative departments in charge of drug production and operations should keep classified information submitted by petitioners confidential.

Article 21: All required fees for pharmaceutical administrative protection petitions to State Council administrative departments in charge of drug production and operations and related procedures should be paid.

Article 22: Details of implementing these ordinances will be decided by State Council administrative departments in charge of drug production and operations.

Article 23: The ordinances are subject to the interpretation of State Council administrative departments in charge of drug production and operations.

Article 24: The ordinances go into effect 1 January 1993.

CPC Urged To Develop Ties With Foreign Parties
HK1602064493 Beijing RENMIN RIBAO in Chinese
8 Feb 93 p 5

["Pen Talk on Arming the Whole Party With Comrade Deng Xiaoping's Theory of Building Socialism With Chinese Characteristics" by Xiao Feng (5135 2800), Zeng Xianfa (2585 2009 3127), and Luo Yunchao (5012 6663 3390): "Actively Develop the CPC's Relations With Political Parties of Various Countries"]

[Text] The party constitution as revised by the 14th CPC National Congress has expressly stipulated how our party should develop its relations with foreign political parties, and some major amendments were made to the relevant sections of the former party constitution. This will be of great significance to the expansion of the CPC's relations with foreign political parties.

Revision of the Party Constitution Sections Concerned Is a Summarization and Endorsement of Our Party's Practical Experience in Developing Foreign Relations

Over the past 40 years since the PRC's founding, the CPC has experienced several important development stages in its relations with foreign parties. During the initial period after the founding of New China, because of the international environment and historical conditions at that time, the CPC confined its foreign relations to ties with foreign communist parties. For a period after the sixties, for historical reasons, CPC relations with most communist parties were severed, and the scope of its foreign relations was reduced. After the end of the "Great Cultural Revolution," especially after the Third Plenary Session of the 11th CPC Central Committee, the party's guideline and policy for foreign affairs has experienced a major readjustment in accordance with the change in the international situation and the party's basic line in the new period. With the aim of creating a favorable international environment for China's modernization, the CPC has tried to make as many friends as possible, thus gradually expanding the scope of its foreign relations. Nowadays, the CPC has established ties in

different forms with more than 280 political parties of more than 100 countries, of which about 30 percent are communist parties and over 70 percent are other political parties. The CPC has a wide variety of friends all over the world.

Practice over the past 10 years or more has shown that the CPC is successful and correct in its efforts to readjust, develop, and expand its foreign relations. Whether two parties are holding to the same ideology or not, they can seek common ground while reserving differences, enhance mutual understanding, develop friendship, and promote cooperation, so long as they treat interparty relations according to the principle of independence, full equality, mutual respect, and noninterference in each other's internal affairs. Such relations are beneficial to both. The development of party-to-party relations can also constantly promote in-depth development of relations between different countries and different peoples.

The major revision of the party constitution at the 14th CPC National Congress is based on the status of the party's foreign relations. It is a summarization and endorsement of our party's practical experience in developing foreign relations over the past more than 10 years. It is in keeping with the requirement that the main purpose of our party in developing foreign relations in the new period is to create a favorable international environment, and it also indicates our party's sincere wish to actively develop ties with political parties of all countries in the world.

Developing Ties With Political Parties of Foreign Countries Is an Important Aspect of Our Country's Foreign Relations

The CPC is the core of leadership of China's socialist cause. And the CPC's efforts to develop ties with political parties of foreign countries are an important component part of the country's foreign relations.

Today's world is an open one, and contacts between political parties of different countries are very active and increasingly frequent. At present, most countries are practicing party politics. Political parties are representatives of various political forces. They guide the development direction of countries and play a decisive role in the development of political situation in different countries and in the shaping of the new world pattern. Every country sets great store by relations between political parties of different countries, and relations between ruling parties, in particular, have become an indispensable, essential part of the foreign affairs of different countries. In view of our party's status as a ruling party and its international influence, more and more political parties in the world want to establish ties with our party. They believe that their relations with China will be incomplete if they maintain only intergovernmental relations with China but no ties with China's ruling party. So, nationalist and democratic political parties of developing countries and social parties (including social democratic and labor parties) from different countries have

developed friendly relations with our party in various forms. In recent years, some important political parties of Western countries and some political parties from countries on our periphery and ASEAN countries began to contact us. This shows that it is very necessary for the CPC to actively develop relations with political parties of different countries.

The party's foreign affairs, together with intergovernmental relations, economic and trade cooperation, cultural exchange, and nongovernmental contacts, serve the party's basic line. But foreign affairs have their own special features. First, the party's foreign affairs do not deal with specific affairs between countries but place emphasis on exchange of information and experiences and of views on domestic and international issues of common concern, the attempt to make as many friends as possible through extensive and in-depth contacts, to promote friendly and cooperative relations between countries, and to deepen friendship between peoples. Second, these are tasks for all the party. Party leaders at the central, provincial, and city levels directly take part in the party's foreign affairs, thus giving a strong impetus to the development of relations between parties and countries. Third, attention is paid to the promotion of economic and technological cooperation between China and foreign countries, which serves China's socialist modernization. In recent years, in its contact with foreign parties, the CPC has focused its attention on studies and exploration of the road to and strategy for development, positive and negative experiences in construction, the operation and reform of the business management structure, vocational training, environmental protection, and spiritual civilization. Extensive exchange of views has been made to enable both sides to learn from each other. And, finally, political parties and mass organizations have served as intermediaries, assisting China's economic sectors and different areas in introducing foreign capital, technology, and professionals, thus directly serving economic construction.

The Four Principles That the CPC Must Observe in Its Efforts To Develop Relations With Foreign Political Parties

The party constitution revised during the 14th CPC National Congress points out that the CPC is to actively develop relations with foreign communist parties and other political parties, based on the four principles of independence, complete equality, mutual respect, and noninterference in each other's internal affairs. It took time to create, put forth, and develop these four principles. In May 1980, when reviewing the historical experience of the international communist movement, Comrade Deng Xiaoping contributed some important ideas on how to handle relations with foreign communist party. He said: "To sum up: We must respect the way the parties and peoples of different countries deal with their own affairs. They should be left to find their own paths by themselves and explore ways to solve their own problems. No party should act like a patriarchal party and issue orders to others. We object to being ordered

about, and we, for our part, will never issue orders to others. This should be regarded as an important principle" ("Selected Works of Deng Xiaoping" (1975-1982), p 279). The 12th CPC National Congress held in 1982 officially put forth four principles guiding the CPC in handling its relations with foreign communist parties and other political parties of the working class, and these principles were then officially incorporated into the party constitution for the first time. In the political report submitted to the 13th party congress held in 1987, these four principles were expanded to apply to relations with other types of foreign political parties, and this expanded application of the principles was put down in the party constitution for the first time during the recent 14th party congress.

The four principles are interrelated and inseparable. The CPC maintains that all parties, large or small, strong or weak, are independent and equal, and each enjoys the right to handle its internal affairs independently and with the initiative held in its own hands. No party should force its own line, views, or practices on other parties; nor should any party force its own ideology and values on others. The CPC advocates mutual respect, including respecting the right of other parties and other peoples to choose their own social system and road to development. The CPC advocates noninterference in each other's internal affairs. We do not interfere in any foreign parties' internal affairs, we do not make use of interparty relations to attack any third party, still less will we make use of interparty relations to interfere in other countries' internal affairs. Of course, we also object to any foreign parties' attempts to interfere in our party's and our country's internal affairs.

The above four principles governing party-to-party relations have been endorsed and accepted by many political parties in the world. The conditions and situation of different parties vary greatly from country to country, as some are ruling parties while the others are opposition parties, some are big while the others are small, some are based in developed countries while others are in developed countries, some have a long history while others are still young, some share similar ideologies while the others hold to different ideologies, and so on. However, all these different parties operating under their own complicated circumstances exist in the same single world, and they cannot possibly isolate themselves from each other as they need to consult with each other on many issues of common concern and to talk to each other to find solutions to various problems. And to keep in touch and maintain ties, they need some norms guiding interrelations that are acceptable to all parties. It is not surprising that different political parties have contrary or different views due to various reasons. So long as the above principles are strictly observed, different parties, though holding to different ideologies, can still establish relations through contact, and achieve the goal of seeking common ground while reserving differences, enhancing mutual understanding, deepening friendship, and promoting cooperation, thus ensuring

wholesome development of interparty relations. On the contrary, if these principles are violated, even political parties pursuing the same ideology may face obstacles to their interrelations or even confront each other. Practice has proved that the above four principles are practicable, and they are being endorsed and accepted by more and more political parties in the world.

Socialist modernization is the long-term central task for all the party and all the Chinese people. The party's foreign relations and foreign affairs, like works of other fronts in the country, must be submitted to and serve economic construction as the center of our cause. During the 14th party congress, part of the passage of the original party constitution defining the party's basic stance on international affairs was rewritten. This rewritten passage opens as follows: "The CPC advocates actively developing foreign relations, with a view to striving for a favorable international environment for our country's reform, opening up, and modernization." This sentence openly declares our party's motive and goal in advocating actively developing foreign relations. This is the important spirit and special characteristic of the new party constitution.

By conscientiously implementing the stipulation of the new party constitution on the development of our party's relations with foreign political parties, we are bound to see further development of the relations between the CPC and foreign political parties.

NPC Legislation's International Character

*HK1502053593 Beijing ZHONGGUO XINWEN SHE
in Chinese 0854 GMT 8 Feb 93*

[By correspondent Li Wei (2621 0251)]

[Text] Beijing, 8 Feb (ZHONGGUO XINWEN SHE)—A visible characteristic of Chinese legislation is the increasing attention it pays to converging with conventional international practices.

In stating this view, Zhou Chengkui, spokesman for the Seventh National People's Congress [NPC] Standing Committee General Office, told reporters that many of the laws drafted by the Seventh NPC and its Standing Committee manifested well this characteristic. Examples include the Sino-Foreign Joint Operation Law, Maritime Law, Sino-Foreign Joint-Capital Venture Law, Income Tax Laws for Foreign-Invested and Foreign Enterprises, Animal and Plant Quarantine Law, Copyright Law, revised Patent Law, revised Trademark Law, Child Adoption Law, embassy privileges and immunity ordinances, the determination to punish airline hijackers, and so on.

Zhou Chengkui said, all these laws have consulted conventional international practices and the provisions of relevant international accords and treaties; for example, at least 12 of the 15 chapters in the Maritime Law are based on current international accords, have absorbed nongovernmental rules and regulations that embody

international conventions, are modelled on influential standard contracts, and have taken note of the trend of development in international maritime legislation. The Income Tax Law for Foreign-Invested and Foreign Enterprises adopted the proportionate tax rate, and not the progressive tax rate in excess of a specified amount, because we had consulted practices in the United States, Britain, France, Japan, Canada, and other countries in corporate taxation and found that they basically adopted the proportionate tax rate. The 33 percent tax rate was arrived at in consideration of the fact that in recent taxation reforms in many countries and regions, corporate income tax had been lowered to an average of 30-40 percent.

Zhou Chengkui pointed out that the convergence of Chinese legislation with conventional international practices is a need arising from China's effort to strengthen personnel and technological exchange and develop economic cooperation, as well as a measure adopted by China for expediting reform and opening up and building a socialist market economic system.

Zhou Chengkui also stated in the interview that another characteristic of work by the Seventh NPC is the outlining of legislations to make legislation a planned effort.

According to reports, so far the Seventh NPC and its Standing Committee have drafted some 80 laws, and decisions and supplementary decisions concerned with law in the five-year term, which account for about 41 percent of the total legislation in the 14 years since the Third Plenary Session of the 11th CPC Central Committee. One third of this legislation concerns economic affairs, and there is an unprecedentedly large number of laws on opening up, intellectual property, and the protection of civic rights, and the increase has been unprecedentedly fast. Meanwhile, the Hong Kong Special Administration Region Basic Law, passed by the Third Session of the Seventh NPC, has been written into history as an unprecedented original work.

NPC Enacts Over 80 Laws During Past Five Years

*OW1302125493 Beijing XINHUA Domestic Service in
Chinese 0107 GMT 7 Feb 93*

[By reporters He Ping (0149 1627) and Zhang Sutang (1728 1372 1016)]

[Text] Beijing, 7 Feb (XINHUA)—The Seventh National People's Congress [NPC] and its Standing Committee have stepped up the pace of legislation. During the five-year term, they have formulated some 80 laws, decisions on legal issues, and additional regulations, accounting for about 41 percent of the total laws legislated since the Third Plenary Session of the 11th CPC Central Committee was held.

It has been learned that, with the Constitution as the centerpiece, China has basically established a framework for a law system with Chinese characteristics after 14 years of efforts.

During these five years, the NPC and its Standing Committee have strived to carry out the guiding thought of accelerating legislation on the economy, with economic construction as the focus in its legislative work. The number of economy-related laws accounts for about one fourth of the total number of laws promulgated during the past five years. Some especially important economic laws that have been worked out include constitutional amendments concerning stipulations on the private economy and the transfer of land-use rights, the Law on Industrial Enterprises Under Public Ownership, the revision of the Land Administration Law, and others.

As China continues to open up wider to the outside world, relevant legislative work has been intensified. In addition to the enactment of the Law Governing Sino-Foreign Cooperative Enterprises, the Maritime Law, and the revision of the Law Governing Sino-Foreign Joint Ventures, the Law on the Inspection of Import and Export Goods, the Income Tax Law for Enterprises with Foreign Investments and Foreign Enterprises, the Law on the Entry and Exit on Animal and Plant Quarantines, as well as other foreign-related laws on administrative and civil issues have also been drawn up.

Legislation in the field of intellectual property rights has speeded up conspicuously and has made rapid progress over the past five years. China has enacted the Copyright Law, amended the Patent Law, and endorsed the Universal Copyright Convention, the Berne Convention for the Protection of Literary and Artistic Works, the Convention for Protecting Producers of Sound Recordings, and others.

In protecting civil rights, the Seventh NPC and its Standing Committee have successively drawn up the Administrative Procedure Law, the Law on Rallies and Demonstrations, and the Law Governing the Organization of Urban Residents' Committees, and have revised the Civil Procedure Law (for trial implementation). Meanwhile, they have also legislated a batch of laws to protect the rights and interests of special groups, such as the Law on the Protection of Minors, the Law for the Protection of the Handicapped, the Law on Trade Unions, the Law for the Protection of Women's Rights and Interests, and the Law for Protecting the Rights and Interests of Returned Overseas Chinese and Their Dependents, among others. Moreover, China has also acceded to a number of international conventions meant to protect human rights, such as prohibiting the practice of cruel tortures.

Forestalling and punishing all kinds of law violations and crimes through legal means is an important part of legislative work. Relevant laws enacted during these five

years include: The Decision on Intensifying the Comprehensive Control of Social Order; the Decision on Prohibiting Drugs; the Decision on Punishing Criminals Who Smuggle, Produce, Distribute, and Spread Pornographic Materials; the Decision on Strictly Prohibiting Prostitution, and the Decision on Sternly Punishing Criminals Who Abduct, Sell, and Kidnap Women and Children.

To turn the idea of "one country, two systems" into law, the Third Session of the Seventh NPC also passed the Basic Law for the Hong Kong Special Administrative Region, which has laid a foundation for the smooth transition of Hong Kong and the prosperity and stability of the future special administrative region.

According to authoritative sources, there are three features in the legislative work of the present NPC and its Standing Committee: 1) It is done in a more planned way; the standing committee of the NPC has worked out a legislation program; 2) It is more extensive; the general office of the NPC Standing Committee, various NPC special committees, governmental departments, and relevant social forces have all participated in the drawing up of relevant laws; 3) The trend of the legislation's linking up with international practices, international conventions and treaties has become even more salient.

Drafting of Work Report Encounters 'Difficulties'

HK1502083393 Hong Kong MING PAO in Chinese
14 Feb 93 p 24

[Text] According to reliable sources in Beijing, although only one month remains before the First Session of the Eighth National People's Congress [NPC] is held in mid-March, the drafting of the Government Work Report unusually encountered difficulties. So far, the draft has not been sent to provincial-level cadres for soliciting opinions. As a result, the Second Plenary Session of the 14th CPC Central Committee, which is held to deliberate on the Government Work Report and other affairs concerning the NPC session, has had to be postponed again and again.

According to the sources, in the past, the first draft of the Government Work Report would be issued to all provinces, ministries and state commissions, and democratic parties for soliciting opinions one month before the NPC session was held. However, no such document has yet been issued. As for this year's NPC session, the high-ranking personnel appointments, the State Council's reorganization, and the bill on revising the Constitution were basically decided; but people now still do not know anything about the Government Work Report.

It is said that the main reason for the belated drafting of the Government Work Report lies in the difficulty in "accurately" assessing the current economic situation in the country and in the differences over the economic guidelines for 1993 and the several coming years. During the Lunar New Year period, Deng Xiaoping's talk in

Shanghai about not losing the opportunity for development also affected the drafting of the Government Work Report. Such words as "preventing overheated economic conditions" in the original draft will be deleted.

This time, the State Council structural reform will only be a "minor move" rather than a "major move." It is said that the guideline will just be to "transform the government functions" rather than "pulling down the temple and driving out the monks." Only one commission-ministry institution will be disbanded, but the power of the newly founded commissions and ministries will be substantially reduced to meet the requirements of the new economic structure. The number of staff in various commissions and ministries will also be reduced substantially. The authorities concerned hold that it will take 30 years to complete the building of the market economy in China, and reform will be a prolonged process. Therefore, it is impossible to complete the reform of the government institutions in one single move. This indicates that there will be further adjustments in the government structure.

According to other sources, up to 3 February, all the 30 provinces, municipalities, and autonomous regions had elected their deputies to the Eighth NPC. When local government leaders were elected at local people's congress sessions, unexpected results appeared again and again. This has aroused attention among central leaders. Control over local people's deputies will be tightened.

Reportedly, at the sessions of the provincial people's congresses in Guizhou and Zhejiang, former Governors Wang Chaowen and Ge Hongsheng, nominated by the authorities, failed to win reelection. The new governor of Guizhou is Chen Shineng, who was transferred to be Guizhou's vice governor from vice minister of light industry after the 4 June Incident; and the new governor of Zhejiang is Wan Xueyuan, who was transferred from the post of secretary general of the Shanghai Municipal CPC Committee to the post of Zhejiang vice governor not long ago. The two "unexpected" election results made the Beijing authorities nervous. An order was issued to strengthen the "work" among deputies attending provincial and municipal people's congress sessions.

Reportedly, Beijing's new mayor, Li Qiyuan, and Sichuan's new governor, Xiao Yang, were elected after the authorities repeatedly persuaded the deputies to the people's congresses and canvassed for votes. Recently, when the authorities found that Fu Xishou, the officially nominated candidate for the governorship, failed to win over half of the votes, the people's congress session was prolonged to ensure that Fu would win.

According to informed sources, deputies to the local people's congresses now had a strong reverse mentality and often expressed strong discontent with the officially nominated candidates. They played the election games adeptly. The officially nominated candidates were elected with many votes in the preparatory elections, but failed to win the official elections.

NPC 30th Standing Committee Session Opens

Wan Li Presides

OW1502083393 Beijing XINHUA Domestic Service in Chinese 0715 GMT 15 Feb 93

[By reporters Zhang Shutang (1728 0647 1016) and Zhang Yinshu (1728 6892 5002)]

[Text] Beijing, 15 Feb (XINHUA)—The 30th session of the Seventh National People's Congress [NPC] Standing Committee took place at the Great Hall of the People this morning. The session decided that the first session of the Eighth NPC will be held in Beijing on 15 March 1993.

Chairman Wan Li presided over the opening ceremony of the Standing Committee session. He also explained the session's agenda, which was later adopted by the Standing Committee members.

The Standing Committee members voted approval of the NPC Standing Committee's decision on holding the first session of the Eighth NPC.

After forwarding the proposal on 14 February about revising some parts of the Constitution, the CPC Central Committee requested the NPC Standing Committee examine the proposal and refer it to the first session of the Eighth NPC for examination. This proposal on revising the Constitution was presented to the Standing Committee for examination today.

According to the adopted agenda, Xiang Chunyi, Gu Ming, and Song Rufen, vice chairmen of the NPC Law Committee today reported on the results of their committee's examination of the draft National Security Law, draft amendment to the Trademark Law, and draft Product Quality Law.

After the draft committee completed drafting the Basic Law of the Macao Special Administrative District last January, it decided to present it to the NPC Standing Committee for examination. Ji Pengfei, chairman of the drafting committee, today reported to the NPC Standing Committee on revising the draft Basic Law and other relevant documents.

The drafting of the PRC Corporation Law and the Basic Law for Agriculture has been accomplished by the NPC Standing Committee's Legislative Affairs Committee and the Ministry of Agriculture. These two drafts were referred to the Standing Committee session for examination today. Bian Yaowu, vice chairman of the NPC Standing Committee's Legislative Affairs Committee, and Liu Zhongyi, minister of agriculture, explained the drafts of these two laws at today's meeting.

The meeting today also requested the Standing Committee members to examine the supplementary regulations, which the committee printed and distributed to the members, on punishing the crimes of producing and marketing counterfeit and shoddy commodities.

Vice Chairmen Peng Chong, Ngapoi Ngawang Jigme, Yan Jici, Rong Yiren, Ye Fei, Liao Hansheng, Ni Zhifu, Chen Muhua, Fei Xiaotong, Sun Qimeng, Lei Jieqiong, and Wang Hanbin attended today's session.

Tian Jiyun, vice premier; Ren Jianxin, president of the Supreme People's Court; and Liu Fuzhi, procurator general of the Supreme People's Procuratorate, attended the session as observers.

CPC Proposes Revising Constitution

OW1502063793 Beijing XINHUA Domestic Service in Chinese 0441 GMT 15 Feb 93

[Text] Beijing, 15 Feb (XINHUA)—Proposal by the CPC Central Committee on Revision of Some Contents of the PRC Constitution.

To the Seventh National People's Congress [NPC] Standing Committee:

In line with the further development of China's reform, opening up, and socialist modernization, the CPC Central Committee hereby forwards a proposal to revise some parts of the PRC Constitution:

1. The last two sentences in paragraph seven of the Preamble currently read: "The nation's basic task in the years to come is to concentrate its effort on socialist modernization. Under the leadership of the CPC and the guidance of Marxism-Leninism-Mao Zedong Thought, Chinese people of all nationalities will continue to adhere to the people's democratic dictatorship and follow the socialist road; steadily improve socialist institutions; develop socialist democracy; improve the socialist legal system; and work hard and self-reliantly to modernize industry, agriculture, national defense, and science and technology step by step to turn China into a socialist country with a high level of culture and democracy." Suggest that they be changed as follows: "Our country is in the initial stage of socialism. The nation's basic task is to concentrate its efforts on socialist modernization in accordance with the theory of building socialism with Chinese characteristics. Under the leadership of the CPC and the guidance of Marxism-Leninism-Mao Zedong Thought, Chinese people of all nationalities will continue to adhere to the people's democratic dictatorship and follow the socialist road; persist in reform and opening up; steadily improve socialist institutions; develop socialist democracy; improve the socialist legal system; and work hard and self-reliantly to modernize industry, agriculture, national defense, and science and technology step by step to turn China into a prosperous, democratic and civilized [wen ming di 2429 2494 4104] socialist country."

2. Article 7 of the Constitution reads: "The state economy is the sector of socialist economy under ownership of the whole people; it is the leading force in the national economy. The state ensures the consolidation and growth of the state economy." Suggest that it be changed to read: "The state-owned economy, namely the

socialist economy under the ownership of the whole people, is the leading force in the national economy. The state ensures the consolidation and growth of the state-owned economy."

3. Paragraph one of Article 8 reads: "Rural people's communes, agricultural producers' cooperatives, and other forms of cooperative economy such as producer, supply and marketing, credit and consumer co-operatives, belong to the sector of socialist economy under collective ownership of the working people. Working people who are members of rural economic collectives have the right, within limits prescribed by law, to farm private plots of crop land and hilly land, engage in household sideline production, and raise privately owned livestock." Suggest that it be changed to read: "In the rural areas, the responsibility system with the household contract linking output to payment as the main form, and other forms of cooperative economy such as producer, supply and marketing, credit and consumer co-operatives, belong to the sector of socialist economy under collective ownership of the working people. Working people who are members of rural economic collectives have the right, within limits prescribed by law, to farm private plots of crop land and hilly land, engage in household sideline production and raise privately owned livestock."

4. Article 15 reads: "The state practices economic planning on the basis of socialist public ownership. It ensures the proportionate and coordinated growth of the national economy through overall balancing by means of economic planning and the supplementary role played by market regulation." "Disturbance of the orderly functioning of the social economy or disruption of the state economic plan by any organization or individual is prohibited." Suggest that it be changed to read: "The state practices a socialist market economy." "The state strengthens economic legislation, improves macrocontrol, and prohibits, according to law, any disturbance of the orderly functioning of the social economy by any organization or individual."

Article 16 reads: "State enterprises have decision-making power in operation and management within the limits prescribed by law, on the condition that they submit to unified leadership by the state and fulfill all their obligations under the plan. State enterprises practice democratic management through congresses of workers and staff and in other ways in accordance with the law." Suggest that it be changed to read: "State-owned enterprises have decisionmaking power in operations within the limits prescribed by the law. State-owned enterprises practice democratic management through congresses of workers and staff and in other ways in accordance with the law."

6. Article 17 reads: "Collective economic organizations have decision-making power in conducting independent economic activities, on the condition that they accept the guidance of the state plan and abide by the relevant

laws. Collective economic organizations practice democratic management in accordance with the law, with the entire body of their workers electing or removing their managerial personnel and deciding on major issues concerning operation and management." Suggest that it be changed to read: "Collective economic organizations have decision-making power in conducting economic activities on the condition that they abide by the relevant laws. Collective economic organizations practice democratic management in accordance with the law."

7. Section Three of Article 42 reads: "Work is the glorious duty of every able-bodied citizen. All working people in state enterprises and in urban and rural economic collectives should perform their tasks with an attitude consonant with their status as masters of the country. The state promotes socialist labor emulation and commends and rewards model and advanced workers. The state encourages citizens to take part in voluntary labor." Suggest that it be changed to read: "Work is the glorious duty of every able-bodied citizen. All working people in state-owned enterprises and in urban and rural economic collectives should perform their tasks with an attitude consonant with their status as masters of the country. The state promotes socialist labor emulation and commends and rewards model and advanced workers. The state encourages citizens to take part in voluntary labor."

8. Article 98 reads: "The term of office of the people's congresses of provinces, municipalities directly under the central government, and cities divided into districts is five years. The term of office of the people's congresses of counties, cities not divided into districts, municipal districts, townships, nationality townships, and towns is three years." Suggest that it be changed to read: "The term of office of the people's congresses of provinces, municipalities directly under the central government, counties, cities, and municipal districts is five years."

The Seventh NPC Standing Committee is requested to examine and approve the above proposals and submit them to the First Session of the Eighth NPC for examination and approval.

[Signed] The CPC Central Committee

[Dated] 14 February 1993

Legislators Favor Amendments

OW1602115493 Beijing XINHUA in English 1139
GMT 16 Feb 93

[Text] Beijing, February 16 (XINHUA)—Chinese legislators expressed their support for the amendments to the Constitution proposed by the Central Committee of the Communist Party of China (CPC), which submitted the proposal on Monday [15 February].

The legislators hold that the suggested amendments, once adopted, will enshrine China's new achievements

and experiences in the past 14 years, and will have "great significance" to the country's socialist modernization drive.

Since China undertook the reform and opening program over a decade ago, unprecedented developments have taken place in the country, according to the legislators, who attribute the achievements to the effective policies and measures the country has taken.

"So they should be written down in the Constitution for the future," they said.

Adding the statements that "China is at the primary stage of socialism," "persevering in reform and opening to the outside," and "practising socialist market economy" to the Constitution is most significant, according to the legislators, who are attending the 30th session of the Standing Committee of the National People's Congress (NPC), China's parliament, which opened Monday in Beijing.

The well-noted economist, Li Yining, said that changing "state-run economy" to "state-owned economy" is the difference of only one word. "But from the point of view of economics, the change reflects China's economic situation better."

The economist elaborates that the term "state-run" actually mixed up ownership with the right of management, which has hindered the deepening of reforms in enterprises.

"However, under 'state-owned,' enterprises can choose whatever forms of management they need according to their own conditions," Li added.

Member Yang Haibo said that adding "the household-based system of contract responsibility with remuneration linked to output" to the Constitution is of vital importance to the vast countryside of China.

"This system is still the precondition of enhancing national economy at the preliminary stage of socialism. It is also a strategic measure for agricultural development," Yang said.

Member Wang Jinling added that many people in the countryside have taken the system as temporary, and thus, neglected the basic construction of water irrigation systems.

In addition to the proposed CPC amendments, the legislators have put forward a number of other revisions of the Constitution, concerning democracy, legal system and intellectual property right.

They also suggested that the CPC-proposed amendments be submitted to the coming full session of the new NPC for further deliberation, which is to open on March 15 in Beijing.

This is the second time for the Chinese parliament to make amendments to the existing Constitution. The first

time was in 1988, when the function and legal status of private economy and land leasing was added to the law.

Constitution Revision Expected

HK1502064293 Beijing CHINA DAILY in English
15 Feb 93 p 1

[Article by staff reporter Chang Hong: "NPC Is Expected To Make Changes in Constitution"]

[Text] The State's Constitution is expected to be revised a second time when the Eighth National People's Congress (NPC)—the country's top legislative body—opens next month in Beijing.

The Chinese Communist Party Central Committee has proposed such a revision to the NPC Standing Committee. The latter is expected to review the proposed amendment when it meets today in Beijing.

In accord with legal procedures, the Standing Committee will decide, after its deliberation, whether to submit the bill for approval to the NPC's annual plenary session, scheduled to open in mid-March.

An NPC Standing Committee spokesman disclosed over the weekend that the committee will hold its 30th routine session in Beijing to review several drafts laws, including the amendment bill to the Constitution.

It is believed that the proposed Constitutional changes will give formal approval to China's adherence to reform and opening to the outside world, the role of senior leader Deng Xiaoping's theory in building socialism with Chinese characteristics and the market economy.

Other possible revisions include longer tenures for county-level legislatures.

The existing Constitution took effect in 1982 and was revised in 1988.

The last revision legalized land transfer rights and the private sectors in China's economic system.

At a public rally last December, commemorating the Constitution's 10th anniversary, senior Party leader Qiao Shi said the existing Constitution was a "good constitution, reflecting the people's wills and spirit of reform and opening to the outside world."

However, he said revisions to some provisions and amendments were necessary as time goes by.

Quite a number of NPC delegates have proposed from time to time in the last few years motions on constitution amendments. Debate over the subject has never ceased among law scholars and other academicians.

The NPC Standing Committee spokesman Zhou Chengkui told a news briefing on Saturday that during the eight-day 30th session, Standing Committee members would make a formal decision for convening the first session of the Eighth NPC.

Around the same time, the Eighth Chinese People's Political Consultative Conference will also meet.

In addition to the Constitution amendment bill, Zhou said, Standing Committee members are also expected to review draft laws governing State security, Agricultural development, companies, as well as changes to the Trademark Law.

As a major step to improve the quality of Chinese products and stem the flow of shoddy goods, senior legislators will deliberate the draft law on quality control and a bill that introduces heavier penalties to producers of sub-standard goods.

Review of the draft Basic Law for the Macao Special Administrative Region is also on the agenda.

The spokesman said at the conference that all reporters from foreign countries and from Hong Kong, Macao and Taiwan are welcome to cover the first session of the Eighth National People's Congress and the first session of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC).

Reporters from Hong Kong and Macao who want to cover the NPC and CPPCC sessions may file their applications with the press offices of the two sessions through the Hong Kong or Macao branches of the Xinhua News Agency, the spokesman said.

Taiwan reporters may submit their applications through either the Hong Kong branch of the Xinhua News Agency or Chinese embassies or consulates overseas.

Foreign journalists may file applications through China's embassies and consulates or Xinhua's Hong Kong and Macao offices, according to the spokesman. The deadline is March 20.

Eighth NPC Planned for 15 Mar

OW1502094493 Beijing XINHUA Domestic Service in Chinese 0419 GMT 15 Feb 93

[Text] Beijing, 15 Feb (XINHUA)—The 30th meeting of the National People's Congress [NPC] Standing Committee has decided to convene the First Session of the Eighth NPC in Beijing on 15 March 1993. The proposed major items on the session's agenda will be: hearing, examining, and approving the government work report; examining and approving the report on the National Economic and Social Development Plan for 1993 and the report on the 1993 state budget; examining and approving the (draft) amendments to the PRC Constitution and the (draft) Basic Law of the Macao Special Administrative Region of the PRC; hearing, examining, and approving the work reports of the NPC Standing Committee, the Supreme People's Court, and the Supreme People's Procuratorate; electing the chairman, vice chairmen, secretary general, and members of the Eighth National People's Congress Standing Committee; electing the PRC president and vice president; deciding who is to be premier of the State Council, vice premiers

and councillors of the State Council, ministers of the ministries and commissions, auditor general, and secretary general of the State Council; electing the chairman of the Central Military Commission; deciding who the other Central Military Commission members will be; electing the president of the Supreme People's Court and the chief procurator of the Supreme People's Procuratorate; and approving the choice of personnel for the Eighth NPC's various specialized commissions.

Death Penalty Proposed for Fatal Drugs

*HK1602022993 Beijing CHINA DAILY in English
15 Feb 93 p 3*

[Article by staff reporter Chang Hong: "Death May Be Set as Penalty for Fake Drugs"]

[Text] Producers of fake or poor quality pharmaceutical products that result in human death will face the death penalty under legislation now being considered by the National People's Congress (NPC).

The Standing Committee of the Congress yesterday began to review a draft law on product quality and other bills as it began a routine session in Beijing.

In addition to the quality law, which spells out rigid quality control measures and compensation criterion for consumers, senior legislators are also expected to consider a supplementary statute to the Criminal Law. The statute would introduce fines, confiscation of property, prison terms and even capital punishment for producers and retailers of counterfeit and shoddy goods.

The legislation represents a major effort by China to reverse its image abroad in terms of product quality.

The legislation also answers the wrath of Chinese consumers whose complaints range from shoes that fall apart when first worn to faulty gas heaters that sometimes kill people while taking a bath.

The consumer-oriented supplementary statute states that manufacturers and sellers of unsanitary foods can be sentenced to a maximum of seven years imprisonment, plus a fine, if poisoning results. If the poisoning results in death, offenders can be sentenced to life imprisonment, or executed.

The execution last December of Luo Deming from Guilin, who made \$530,000 from selling phony Maotai liquor, was the first warning shot for copycats and manufacturing shams.

The supplementary rules also list stiff penalties for those caught producing and selling substandard medical equipment, inferior electrical appliances, fake pesticide and fertilizers and poor quality cosmetics.

The sentences range from detention and fines to 10 years imprisonment, depending on the severity of offenses.

To protect farmers' interests, legislators plan stiffer penalties for producers and sellers of fake and inferior pesticide, chemical fertilizers and seeds.

If farmers' harvests are ruined from using poor quality products, offenders are subject to fines, detention and prison terms up to seven years.

Draft Laws Submitted

*OW1502142793 Beijing XINHUA Domestic Service in
Chinese 0752 GMT 15 Feb 93*

[Text] Beijing, 15 Feb (XINHUA)—The draft Law on National Security, the draft amendment to the Trademark Law, and the Product Quality Law were submitted to the 30th meeting of the Seventh National People Congress [NPC] Standing Committee today for examination and approval.

The NPC Law Committee today reported to the Standing Committee on the results of deliberating the three draft laws.

In the report on the results of deliberating the draft Law on National Security, Law Committee Vice Chairman Xiang Chunyi said: This draft law was initially examined at the 29th meeting of the Seventh NPC Standing Committee. The draft law was deliberated in accordance with the suggestions of the NPC Standing Committee and Internal and Judicial Affairs Committee and those of local authorities, departments, and experts. The Law Committee holds that it is absolutely necessary to draw up a national security law to safeguard national security, defend the political power of the people's democratic dictatorship and the socialist system, and ensure the smooth progress of reform, opening up, and the socialist modernization drive. The draft law is basically feasible.

In the report on the results of deliberating the draft amendment to the Trademark Law, Law Committee Vice Chairman Gu Ming said: This draft amendment was initially examined at the 29th meeting of the NPC Standing Committee. The Law Committee deliberated the draft amendment in accordance with the suggestions of the NPC Standing Committee and Financial and Economic Committee and those of local authorities and departments. The Law Committee holds that since it was put into effect nine years ago, the Trademark Law has played an important role in protecting the right to exclusive use of trademarks, in encouraging trademark producers to guarantee the quality of trademarks, and in protecting the interests of consumers; however, with the deepening of reform and opening up and with the development of a socialist market economy, it is necessary to appropriately revise the Trademark Law. The draft amendment is basically feasible.

In the report on the results of deliberating the draft Product Quality Law, Law Committee Vice Chairman Song Rufen said: The draft Product Quality Law was initially examined at the 28th meeting of the Seventh NPC. The Law Committee deliberated the draft law in

accordance with the suggestions of the NPC Standing Committee and those of local authorities, departments, and experts. The Law Committee holds that it is necessary to draw up this law to strengthen supervision and management of product quality, to clearly determine responsibility for product quality, to protect the legitimate rights of users and consumers, and to safeguard social economic order. The draft is basically feasible.

It is reported that the Law Committee also made suggestions for revising the three draft laws and proposed that the current Standing Committee meeting approve the draft laws after examining them.

Draft Corporate Law Submitted

OW1502222993 Beijing XINHUA Domestic Service in Chinese 0814 GMT 15 Feb 93

[Text] Beijing, 15 February (XINHUA)—The Legislative Affairs Commission [LAC] under the National People's Congress [NPC] Standing Committee today submitted a draft Corporate Law to the 30th session of the Seventh NPC Standing Committee. In presenting an explanation of the draft to committee members, LAC Vice Chairman Bian Yaowu said: The Corporate Law is a major economic law. Formulating such a law is of great significance to establishing corporate standards, protecting corporate rights and interests, safeguarding socio-economic order, and guaranteeing and facilitating a sound development of the socialist market economy.

Bian Yaowu said: Since China implemented the policy of reform and opening up in 1979, companies have increased steadily, playing an increasingly important role in developing the economy. Meanwhile, problems have also cropped up and the country is in urgent need of a corporate law. In accordance with a chairmanship meeting's decision, the LAC started drafting a corporate law on the basis of the regulations on limited liability companies, on limited liability share-holding companies, suggestions regarding the norms of companies, and draft laws formulated by the State Council or relevant State Council departments. In the course of drafting, it studied some localities' experience in establishing and running companies; consulted the corporate laws of some countries and regions; solicited views from central departments concerned, localities, legal experts, economists, and enterprises. The NPC Law Committee and the LAC have especially sponsored forums of relevant central departments, legal experts, and economists to discuss and revise the first draft article-by-article, thus forming the present draft corporate law that was submitted to the current session for examination.

Bian Yaowu gave an explanation of the main contents and questions of the draft corporate law. With regard to the conditions for establishing a company, he said the draft stipulates that a company must have a capital provider [chu zi ren 0427 6327 0086] or sponsor, registered capital, the formulation of articles of association, and other conditions. A corporation could be established

according to law when the statutory conditions are met; otherwise, it would not be allowed to set up.

As for approval and registration procedures, he said: The draft stipulates that conditions specified in this law must be met for the establishment of limited liability corporations and limited shareholding companies. Those meeting the conditions specified in the law may apply for registration as companies without going through other approval procedures. However, if laws or administrative regulations require approval procedures for the establishment of companies, they must undergo the approval procedures according to law before registering as companies. Such stipulations are necessary for the state to exercise the necessary supervision over some trades or corporations engaged in exclusive businesses or having special needs.

Bian Yaowu also gave explanations on the internal organization of corporations; the issuance and trading of stocks; corporate accounting; merging, breaking up, dissolving, and liquidation of corporate assets; branch offices of foreign companies; and legal liabilities.

Draft Trademark Law Submitted

OW1502135093 Beijing XINHUA in English 1146 GMT 15 Feb 93

[Text] Beijing, February 15 (XINHUA)—The Standing Committee of the Seventh National People's Congress (NPC), China's top legislative body, is considering a law stipulating punishments for faking trademarks.

The draft was submitted this morning to the 30th session of the legislature for deliberation.

The most severe penalty is seven years imprisonment, according to the regulation.

Using a trademark without permission can result in a term of not more than three years imprisonment.

Also at today's session, deputy director of the NPC law committee, Gu Ming, reported to the legislators the results of deliberation of the draft amendments to the Trademark Law.

The deliberation committee recommended that names of Chinese places above county level and well known foreign place names should not be used as trademarks.

They also urged that the trademark owner's name and the place of manufacture should be displayed on commodities when another's trademark is used with permission.

Li Peng Submits Agriculture Law

OW1502134593 Beijing XINHUA Domestic Service in Chinese 0747 GMT 15 Feb 93

[Text] Beijing, 15 Feb (XINHUA)—Premier Li Peng today submitted a motion to the ongoing 30th meeting of

the National People's Congress [NPC] Standing Committee asking it to examine and approve the draft Basic Law on Agriculture.

In his motion, Li Peng said: Agriculture is the foundation of economic development and social stability in our country and is also the foundation that enables our nation to stand on its own feet. Stable agricultural growth is a prerequisite for stable national economic growth. To consolidate and develop the results of reforming the rural economy, guarantee the status of agriculture as the foundation of the national economy, develop a socialist market economy in rural areas, safeguard the legitimate rights of agricultural workers, promote the sustained, stable, and coordinated development of agriculture, and realize the modernization of agriculture, agricultural departments have drawn up the draft Basic Law on Agriculture after conducting extensive investigation and study and after revising it many times. The draft has been discussed and approved at a regular State Council meeting.

Entrusted by the State Council, Minister of Agriculture Liu Zhongyi explained the draft law to the Standing Committee today. He said: Restricted by natural, economic, and social factors, the economic results of agriculture are still relatively low, and the ability of peasants to protect themselves is relatively weak. Therefore, it is difficult to avert violent fluctuations in agricultural development if we do have strong guarantees, especially legal guarantees. The commercialization and modernization of agriculture continue to advance with the deepening of rural reform. The need for legislation is becoming stronger and stronger, and it will be difficult to realize agricultural modernization without clear legal standards, even if the state uses force to protect it.

Liu Zhongyi said: The guiding thought of this law is making it the basic law of the state to guarantee the status of agriculture as the foundation of the national economy and putting the major principles and basic policies of the party and state on developing a socialist market economy in rural areas on an institutional and legal basis to provide agriculture with a legal guarantee for sustained, stable, and coordinated development. The draft law being submitted for your examination and approval adheres to the following principles: first, protecting and strengthening agriculture; second, consolidating the results of rural reform to promote the development of a socialist market economy; third, emphasizing priorities; and fourth, reflecting the national and agricultural conditions in China while at the same time applying the useful experiences of foreign countries.

Liu Zhongyi also explained the feasibility of making this law, its scope of application, and its framework.

Report on Macao Basic Law Amendments

OW1502233793 Beijing XINHUA Domestic Service in Chinese 0534 GMT 15 Feb 93

[Text] Beijing, 15 Feb (XINHUA)—Chairman Ji Pengfei of the Committee for Drafting the Basic Law of the Macao Special Administrative Region [SAR] today made a report to the 30th Session of the Seventh National People's Congress [NPC] Standing Committee on amendments to the Draft Basic Law of Macao SAR of the PRC and related documents.

Ji Pengfei said: The NPC Standing Committee adopted a resolution in March 1992 to promulgate the Draft Basic Law of the Macao SAR. Entrusted by the NPC Standing Committee, the drafting committee has solicited opinions from all circles in Macao and other areas across the country. In accordance with more than 1,000 opinions solicited, various special subject groups of the drafting committee have made suggestions on amending relevant articles. Their suggestions have been discussed by the enlarged meeting of the drafting committee presided over by the chairman and it has been decided to submit them to the drafting committee's plenary session for deliberation. The drafting committee's ninth and the last plenary session was held in Beijing 13-15 January 1993. The meeting adopted 18 amendment resolutions in a two-thirds majority vote by secret ballot and chose the draft designs of the regional flag and regional emblem. The committee for drafting the basic law has decided to submit to the NPC Standing Committee for deliberating the amended Draft Basic Law of the Macao SAR, including the draft NPC decisions concerning methods for the formation of the first term of the government, the Legislative Council, and the judicial organ of Macao SAR, which are drafted for the NPC; the suggestion of the Committee for Drafting the Basic Law of the Macao SAR concerning the establishment of the Committee for the Basic Law of the Macao SAR in the NPC Standing Committee; and the designs (draft) of the regional flag and regional emblem of the Macao SAR. The committee for drafting the basic law also has decided to suggest that the NPC Standing Committee submit these drafts to the First Session of the Eighth NPC Congress for deliberation.

Ji Pengfei reported on some major amendments to the articles of the draft Macao Basic Law.

1. Concerning the issue of the application of relevant contents of two human rights conventions in the Macao SAR, he said: In the course of drafting the basic law, Macao residents expressed their wishes that a regulation concerning the issue of the application of the "International Covenant on Civil and Political Rights" and the "International Covenant on Economic, Social, and Cultural Rights" in Macao be stipulated. Although Portugal is a signatory state of these two human rights conventions, it did not extend the application of these two human rights conventions to Macao in the past. Therefore, the corresponding regulation is not included in the Sino-Portuguese Joint Statement. After the promulgation of the draft Basic Law, the Portuguese Government

proposed through diplomatic channels to extend the application of these two human rights conventions to Macao. An agreement that the application of the relevant contents of these two human rights conventions in Macao has been reached after consultations of the Sino-Portuguese Liaison Group. In the light of this situation, the drafting committee, after consulting the relevant article of the Hong Kong Basic Law, suggests a corresponding amendment to Article 40 of the draft Macao Basic Law.

2. Concerning the issue of civil aviation, he said: An airport presently is being built in Macao, where a civil aviation administrative system does not exist. In consideration of the wishes of Macao residents that a regulation on civil aviation in Macao be included in the Basic Law, it is suggested that an article be added to the Basic Law; that is, Article 117 of the draft Basic Law: "The Macao SAR Government, with the concrete authorization of the central people's government, can formulate on its own various administrative systems of civil aviation."

3. Concerning the issue of press and publication, he said: In the course of soliciting opinions about the Macao Basic Law, the media in Macao expressed its wishes that—as in the case of education, science and technology, medical service and public health, and physical culture—a specific regulation on the policy of press and publication be included in the Basic Law. Accepting this opinion, the drafting committee suggests a regulation be added to the Basic Law: "The Macao SAR Government formulates on its own the policy of press and publication."

4. Concerning the designs and articles of the regional flag and emblem of the Macao SAR, he said: In accordance with the recommendation made by the Committee for Selecting the Regional Flag and Emblem of the Macao SAR—with the guiding spirit of the concept of "one country, two systems," with Macao characteristics; and with the principle emphasizing beauty and taste—the drafting committee has selected the (draft) designs of the regional flag and emblem and drafted the relevant articles of the draft Basic Law.

Ji Pengfei said: In addition to the amendments mentioned above, the drafting committee also has made some amendments to the wording of relevant articles.

Reporters Welcomed To Cover NPC, CPPCC Sessions

OW1302130793 Beijing XINHUA in English 1256
GMT 13 Feb 93

[Text] Beijing, February 13 (XINHUA)—All reporters from foreign countries and from Hong Kong, Macao and Taiwan are welcome to cover the first session of the Eighth National People's Congress (NPC) and the first session of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) scheduled to open in Beijing on March 15 and March 14, respectively, a spokesman for the General Office of the NPC Standing Committee announced here today.

Reporters from Hong Kong and Macao who want to cover the NPC and CPPCC sessions may file their applications with the press offices of the two sessions through the Hong Kong or Macao branches of the XINHUA NEWS AGENCY, the spokesman said.

Taiwan reporters may submit their applications through either the Hong Kong branch of the XINHUA NEWS AGENCY or Chinese embassies or consulates overseas.

Foreign journalists may file applications through China's embassies and consulates or XINHUA's Hong Kong and Macao offices, according to the spokesman. The deadline is March 20.

A press center will be set up at the Beijing international hotel to serve reporters coming from outside the Chinese mainland.

Over 1,000 Chinese and foreign reporters are expected to cover the events.

CPPCC Proposals Over Past Five Years Noted

OW1402082893 Beijing XINHUA Domestic Service in
Chinese 0240 GMT 8 Feb 93

[By reporter Sun Yong 1327 0516]

[Text] Beijing, 8 Feb (XINHUA)—The Chinese People's Political Consultative Conference [CPPCC] National Committee in the past five years has made new achievements regarding making proposals, which is regarded as one of the CPPCC members' principal ways of participating in and discussing government affairs. According to information supplied by the CPPCC National Committee's Motions Committee, since 1988, members of the Seventh CPPCC National Committee have made 9,627 proposals, many of which have been adopted by the CPC Central Committee, the State Council, and other relevant ministries and commissions.

It has been learned: Since assuming office, members of the Seventh CPPCC National Committee have generally regarded proposal-making as an important aspect of their functions in political consultation and democratic supervision. Proposal-making has also been regarded as an important channel for helping the party and government to foster ties with people from all walks of life, and for enabling the policymaking process to be democratic and scientific. Before making their proposals, they have earnestly and responsibly conducted in-depth and meticulous investigations and studies, thereby improving the proposals' contents and standards from year to year.

According to statistics, 3,389 proposals or 35.2 percent of the total of 9,627 proposals made by the members were on economic construction; 2,888 proposals or 30 percent were about science, technology, and education; 2,070 proposals or 21.5 percent concerned public security and judicial work, labor, and personnel; and 1,280

proposals or 13.3 percent involved united front work, nationalities and religious affairs, and overseas Chinese issues.

It has been learned: An important reason why the members' proposals have been more and more appreciated by relevant departments in recent years and have played an active role in state politics is as follows: Concentrating efforts on the central tasks of the party and government with economic construction as the core, the members have made proposals on major issues concerning the national economy and the people's livelihood, and on popular topics and problems that the masses cared about. For example, a popular topic of the CPPCC's proposals in recent years has been on strengthening China's railway construction so as to adapt to the requirements of the national economic development. The CPPCC members made a proposal on "requesting the state to list as soon as possible seven construction projects, including the Chengda Railway Construction Project, under the state's Eighth Five-Year Plan." After studies and verification, the State Planning Commission and the Ministry of Railways decided to list the above seven construction projects under the Eighth Five-Year Plan. Many suggestions listed in a CPPCC members' proposal on "invigorating large and medium-scale state enterprises," have been incorporated in a State Council circular on "Further Strengthening the Vitality of Large- and Medium-Scale State Enterprises." After the CPPCC members made a proposal on "increasing input to the natural sciences funds and strengthening basic research," the Ministry of Finance studied the case and decided to allocate 50 million yuan more to the natural sciences funds in 1992 than in 1991.

The CPPCC members' proposals have also played an important role in conducting democratic supervision; fostering ties between the party and government and the masses; and improving the workstyle of the party and government. After the CPPCC members made a proposal on "continually conducting an extensive and in-depth struggle to eliminate the 'six vices' [prostitution, pornography, abducting women and children, taking and trafficking in drugs, gambling, and superstition]," the State Council paid very close attention to the issue. Respective relevant departments have organized special groups to handle, screen, and rectify the situation, and have launched struggles to crack down on prostitution and patronage to prostitutes.

In an effort to increase the proposal-handling work's transparency and its efficiency, the CPPCC National Committee's Motions Committee has adopted a multi-form and multichannel workstyle in recent years. Meanwhile, it has also selected some important proposals or proposals that most committee members cared about and organized on-the-spot handlings of them. The committee invited the organizations concerned to take part in handling the following cases on the spot: "Reform in medical and public health systems," "input increase in science and technology," "strictly crack down on fake and substandard products and protect the consumers'

rights and interests," and "improve the legal system and strengthen the work on Taiwan-related affairs." In this way, it has ensured the handling of the proposals by the organizations concerned, as well as the implementation of some major proposals.

CPPCC Proposals Enhance Science, Technology

OW1402082593 Beijing XINHUA Domestic Service in Chinese 0038 GMT 14 Feb 93

[By reporter Sun Yong 1327 0516]

[Text] Beijing, 14 Feb (XINHUA)—Following China's furthering its scientific and technological progress, a large number of equipment and facilities in the Chinese Academy of Sciences [CAS] required to be renovated and transformed. However, due to various reasons, the funds issue had yet to be resolved. In the first half of 1992, the Chinese People's Political Consultative Conference [CPPCC] National Committee's Science and Technology Committee formed an investigation group to conduct special studies on the issue. It has submitted a report on "The Investigation and Opinions Regarding Renovating CAS Equipment and Facilities." The central leadership paid very close attention to three suggestions listed in the report. Li Peng, Zou Jiahua, Song Jian and other comrades have written respective instructions on the issue. Relevant State Council departments have decided to allocate 150 million yuan to solve the issue on renovating the equipment and facilities.

The guiding ideologies in the CPPCC National Committee's Science and Technology Committee's work in the past five years have been as follows: They should conduct—from an overall macroeconomic perspective—investigations and studies on strategic issues regarding China's scientific and technological progress, and make suggestions and proposals in this regard; and persistently handle and discuss major issues. Every year for the past five years, the CPPCC National Committee's Science and Technology Committee has persistently pursued one or two special topics—concerning the overall situation in or affecting an important policy issue on China's scientific and technological progress—in an effort to raise to a higher level the CPPCC's capacity of participating in and discussing government affairs involving science and technology programs.

According to statistics, they have successively organized eight special groups over the past five years; conducted 20 investigations and studies in Beijing and other localities; held more than 130 various reporting and discussion meetings; and made 15 reports on these investigations, studies, and discussions.

In an effort to ensure smooth progress in the work on transforming scientific and technological achievements into productive forces; on enhancing scientific and technological progress in large and medium enterprises; and on developing the agricultural sector through scientific and technological progress—the CPPCC National Committee's Science and Technology Committee has formed

special groups—during the period from 1990 to the beginning of 1992—to conduct investigations and studies in the corresponding issues. After reading one of the reports entitled "A Report on the Studies of Scientific and Technological Progress in Large and Medium State Enterprises in Liaoning and Jilin Provinces," Vice Premier Zhu Rongji specifically instructed the State Council's Production Office to study and implement it. The Guangdong provincial leadership affirmed another report entitled "A Report on the Studies of Scientific and Technological Progress in Large and Medium State Enterprises in Guangdong Province," regarding the report as "relatively substantive," and "very pertinent."

To promote the publication of scientific and technological books, the CPPCC National Committee's Science and Technology Committee held joint discussion meetings with other relevant departments, and made six suggestions and proposals in this regard. State Councillor Song Jian has written corresponding instructions on the issue. The relevant departments have earnestly proposed some measures to resolve the promotion issue.

Meanwhile, their other proposals—including "Furthering the Improvement and Deepening in Scientific and Technological Restructuring," "Relying on Scientific and Technological Progress to Enhance the National Economic Development Should Be Formulated as a Fundamental National Policy," and the "Opinions and Proposals on Further Strengthening Basic Research Work"—have caused wide-ranging influence and made favorable impact on propelling scientific and technological reform and on improving scientific and technological work.

CPPCC Standing Committee Meeting Held

OW1602103893 Beijing XINHUA Domestic Service in Chinese 0355 GMT 16 Feb 93

[By reporters Zou Aiguo (6760 1947 0948) and Sun Yong (1327 0516)]

[Text] Beijing, 16 Feb (XINHUA)—The 22nd meeting of the Seventh National Committee of the Chinese People's Political Consultative Conference [CPPCC] Standing Committee opened at the CPPCC assembly hall this morning. The meeting decided to convene the First Session of the Eighth CPPCC National Committee in Beijing on 14 March 1993.

The meeting, which was presided over by Vice Chairman Fang Yi, adopted the agenda and schedule for this Standing Committee meeting.

Secretary General Song Demin gave an explanation on the agenda for this Standing Committee meeting. He said: Following the expiration of the term of office for the Seventh CPPCC National Committee, the first session of the eighth committee will soon be held in

mid-March. In accordance with the CPPCC Constitution, this Standing Committee meeting is to make various preparations for the formation of the eighth committee. The preparations include mainly work in these three aspects: 1) earnestly and properly summing up the work carried out by the seventh committee to produce a work report for presentation to the first session of the eighth committee; 2) making earnest and proper personnel arrangements for the next committee, i.e., consulting and deciding on the participating units as well as the quota of and candidates for members of the Eighth CPPCC National Committee; and 3) the Standing Committee of the incumbent committee is to make a decision on convening the first session of the eighth committee and put forward a draft agenda, draft work schedule, and other documents for the session. Because this Standing Committee meeting is responsible for preparing for forming the next committee, it is hoped that fellow committee members will make concerted efforts to make it a success.

After extensive democratic consultations, the CPC Central Committee forwarded a proposed namelist of candidates for the Eighth CPPCC National Committee. At the meeting, Wang Zhaoguo, director of the CPC Central Committee United Front Work Department, gave an explanation on the participating units, member quotas, and draft namelist of candidates for the Eighth CPPCC National Committee.

At the meeting, Deputy Secretary General Lu Zhichao gave an explanation on the drafting of the work report (first draft) of the Standing Committee of the Seventh CPPCC National Committee. He said: Thanks to the active participation of all Standing Committee members, the Seventh CPPCC National Committee has carried out a lot of fruitful work over the past five years to win the full affirmation of the party, the government, and all circles in society. I hope you all will express during group discussions your views on supplementing or revising the first draft of the standing committee work report. The secretariat of the meeting will revise the draft based on your opinions before the report is presented to the First Session of the Eighth CPPCC National Committee.

At the beginning of the meeting, the Standing Committee members rose and stood in silence to express their deep grief for the departures of fellow members Fu Xuewen, Yabxi Goinbo Cedan, Kong Fei, and Song Xilian since the last Standing Committee meeting.

Other CPPCC National Committee vice chairmen who attended today's meeting were Hong Xuezhi, Wang Guangying, Deng Zhaoxiang, Zhao Puchu, Ma Wenrui, Wang Enmao, Qian Weichang, Hu Sheng, Cheng Siyuan, Lu Jiaxi, Qian Zhengying, Su Buqing, Ismail Amat, Ding Guangxun, and Ye Xuanping.

8th CPPCC To Meet 14 Mar

OW1602072093 Beijing XINHUA in English 0700
GMT 16 Feb 93

[Text] Beijing, February 16 (XINHUA)—The first session of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) is scheduled to open in Beijing on March 14.

This was contained in a decision adopted at the 22nd session of the Standing Committee of the Seventh CPPCC National Committee, which opened here today.

The agenda of the first session of the first session of the Eighth CPPCC National Committee, according to the decision, will include the hearing of a work report by the Standing Committee of the Seventh CPPCC National Committee, and the election of the chairman, vice-chairmen, secretary-general and attending the first session of the Eighth National People's Congress as observers.

8th CPPCC Candidates Proposed

OW1602082393 Beijing XINHUA in English 0801
GMT 16 Feb 93

[Text] Beijing, February 16 (XINHUA)—The Central Committee of the Communist Party of China (CPC) proposed a list of candidates for membership of the 8th National Committee of the Chinese People's Political Consultative Conference for deliberation at the 22nd session of the Standing Committee of the 7th CPPCC National Committee which opened here today.

The list of candidates was worked out after wide-ranging democratic consultation, Wang Zhaoguo, head of the united front work department of the CPC Central Committee, explained at the meeting.

Wang said that the formation of a new National People's Congress (NPC) and a new CPPCC National Committee this year is a great event in the political life of the Chinese people, and the CPC Central Committee attaches great importance to the issue.

After the CPC 14th National Congress last year, the Political Bureau of the CPC Central Committee studied the issue on several occasions. It set up a group headed by Hu Jintao to take charge of the matters involved under the direct leadership of the CPC Central Committee.

Then the united front work department called meetings of consultation with leaders of various democratic parties and the All-China Federation of Industry and Commerce, and reached unanimity of views on the major principles regarding the selection, the number and the requirements for members of the 8th CPPCC National Committee.

According to unanimous views, Wang said, the 8th CPPCC National Committee will have about 2,000 members, at least 60 percent will come from among members of democratic parties or non-party personages.

The committee will have more members from among representatives of large and medium-sized enterprises, leading officials engaged in economic work for a long period of time, and economic experts and scholars as well as representatives of economic entities of non-public ownership. The number of members from Hong Kong and Macao in the CPPCC National Committee will increase.

According to Wang, the list of candidates has been selected by different departments, parties and organizations through frequent exchanges of views, consultations, studies.

He said that the CPPCC National Committee will fully bring into play the role of political consultation and democratic supervision so as to serve national economic development and help maintain political stability and the country's peaceful reunification.

Fight Against Abduction, Prostitution Stressed

OW1602130993 Beijing XINHUA Domestic Service in
Chinese 1048 GMT 15 Feb 93

[By RENMIN RIBAO reporter Wu Hengquan (0702 1854 2938) and XINHUA reporter Zhou Lixian (0719 4539 2009)]

[Text] Haikou, 15 Feb (XINHUA)—The Central Commission for Comprehensive Control of Social Order held a conference in Haikou today on the work of cracking down on abduction and prostitution in a number of provinces, municipalities, and autonomous regions.

In his speech, Wang Fang, state councillor and vice chairman of the Central Commission for Comprehensive Control of Social Order, pointed out: To ensure the implementation of the party's basic line, we must uphold the policy of "grasping two links at the same time," crack down on all kinds of criminal activities, and eliminate all social evils. Abduction of women and children and prostitution are grave crimes harmful to society, and they are the main targets in the drive to eliminate social evils. Firmly launching the struggle to crack down on abduction and prostitution reflects in practice our upholding the party's basic line and the four cardinal principles. It is also a necessary step in building socialism with Chinese characteristics.

Wang Fang fully affirmed the achievements made by various localities in the drive to crack down on abduction and prostitution in the last two years. During the 1991-92 period, more than 50,000 abduction cases involving women and children were uncovered, over 75,000 abductors were arrested, and some 440,000 women and children were rescued in various parts of the country. During this same period, more than 220,000 cases of prostitution were discovered, and some 440,000 prostitutes and people patronizing prostitutes or otherwise involved in prostitution were arrested. As a result of the crackdown, the number of abduction cases in the nation has sharply declined, and prostitution in a

number of key areas has been notably curbed. In addition, shelters and education centers for prostitutes and for people patronizing prostitutes were set up in 24 provinces, municipalities, and autonomous regions.

Wang Fang asked party committees and governments at all levels and departments concerned to fully recognize the long-term and complex nature of the struggle against abduction and prostitution, and, in the spirit of seeking truth from fact, earnestly analyze current problems, conscientiously strengthen leadership, vigorously implement comprehensive measures to improve social order, and mentally prepare for a protracted campaign to win new victories in the struggle against abduction and prostitution.

Ruan Chongwu, secretary of the Hainan provincial party committee and governor, attended today's conference and delivered a speech. Bai Jingfu, vice minister of public security, and Huang Qizao, vice chairman and first secretary of the All-China Women's Federation, briefed the conference on efforts respectively made by the Ministry of Public Security and the All-China Women's Federation to crack down on abduction and prostitution.

Shu Huaide, member of the Central Commission for Comprehensive Control of Social Order and director of its general office, presided over today's conference.

Social Development Research Program Progresses

HK1502052593 Beijing RENMIN RIBAO in Chinese
6 Feb 93 p 1

[Report: "State Council's General Research on National Economic and Social Development Progresses Smoothly"]

[Text] After more than a year's efforts, initial results have been scored in the general research on national economic and social development, a program organized by the State Council.

To put the state's macroscopic policy-making process on a scientific basis, the State Council on 3 September 1991 set up a coordination group for general research on national economic and social development to launch and oversee the research program.

The State Council's coordination group for general research on national economic and social development undertakes the following duties: setting major research topics of overall importance to national economic and social development that need to be taken up; arranging for departments and research institutes concerned to carry out research projects; organizing feasibility studies related to these research projects, conducting evaluation of the projects' principal results, providing advice and specific proposals to the State Council when it is to make decisions and policies on major issues, and coordinating and assisting different units concerned in solving problems arising from research projects.

By the end of 1991, the State Council's coordination group for general research on national economic and social development had preliminarily fixed 13 major research topics in light of the social and economic situation in China at that time and assigned the projects to a few organs, mainly consisting of departments under the State Council which are in charge of overall coordination functions. Leading comrades at the party's central authorities and the State Council, as well as departments concerned, have set great store by the design of research proposals and actual research work, and sectors concerned have given great support. As a result, the general research program has been progressing smoothly.

According to the requirements set by the coordination group for general research on national economic and social development, the work of all research project teams have embodied the features of the general research program: 1) The characteristic of the research work as an integral whole has been stressed. Research project teams have been conducting their research in light of the general interests of national economic and social development, rather than confined their work to their own fields. They have done a good job by upholding this spirit in terms of the perspective for research, the formulation of supporting policies, and the selection of research topics. 2) Applications and feasibility have been stressed. Throughout the process, the topical research projects serve to provide advice and specific proposals to the government in policy-making, and they are not general academic and theoretical research; and the principle of proceeding from imminent, practical needs is highlighted. As viewed from the completed research projects, all the research project teams have set much store by investigations and studies, and have proposed in good time some feasible specified programs. 3) Qualitative study and quantitative analyses are combined. The research project teams have conducted analyses and studies, policy simulation studies, and program comparison on a computer-application-oriented basis, to this end they have set up a few mathematical models and databases which will serve as a basis enabling the integration of qualitative research and quantitative analysis in future general research and macroscopic policy-making in China. 4) Efforts have been made to pool collective wisdom and give full play to the role of specialists and scholars. The coordination group for general research has invited dozens of specialists and scholars to join in the examination of the various topical research programs and the inspection and evaluation of the final results of research projects, and the research project teams on their part have also invited some specialists and scholars to participate in actual research. So, topical research is based on widely solicited opinions, and the findings of these researches are more scientific and of higher representative significance.

At present, all the topical research projects have been basically finished, and the State Council coordination group for general research is calling meetings to examine

and evaluate research results of each project and to study and approve the final results of the general research program.

State Statistics Should Serve Market Economy

OW1402142793 Beijing XINHUA in English 1333
GMT 14 Feb 93

[Text] Xiamen, February 14 (XINHUA)—China's statistical work should meet the new demands arising as China builds a socialist market economy, Zhang Sai, director of the State Statistics Bureau said here today.

He said that the establishment of a market economy involves drastic changes in the economic base as well as in the superstructure as it leads to the existence of different forms of economic ownership and operation, means of circulation, pricing systems and distribution methods.

Zhang has been in this coastal city of southeast China's Fujian Province to attend an ongoing national conference on statistical work.

The country's statistics used to serve the country's highly centralized planned economy and macroeconomic decision making. At present, he said, it also has to offer concrete information and consultation to the public including various commodity producers and dealers.

To better serve the country's decision makers, enterprises and the general public, Zhang said that the State Statistics Bureau has decided to play a major role in developing a micro-information market.

Zhang said that the development of information business related to statistics can be run by governmental or non-governmental bodies, and that foreign businessmen are also welcome to open information ventures in China.

The state's statistics departments plan to set up an information enterprise group to guide and adjust the entire information market while having its own information businesses, Zhang said.

Economic & Agricultural

Official Says Foreign Debt 'Under Control'

OW1402141893 Beijing XINHUA in English 1351
GMT 14 Feb 93

[Text] Beijing, February 14 (XINHUA)—Despite high economic growth, China has kept its foreign debt under control and the service rate was well below the internationally recognized warning level in 1992, a government official said here today.

Yin Jieyan, director of the State Administration of Exchange Control, said that the increasing rate of the total amount of foreign debt was somewhat reduced and the structure of foreign currencies, repaying deadline and interest rate were basically kept at a manageable level.

However, he was unwilling to disclose the total sum of foreign debt in detail.

In the field of foreign investment management, he said, China further improved its foreign debt monitoring system and attached greater importance to the efficiency of using foreign funds in 1992.

At the same time, he said, China launched an experiment in running medium- and long-term foreign debts on the basis of short-term debt management, thus paving the way for debt management in accordance with varying credibility grades of different monetary organizations in the future.

He said that the central government's foreign exchange income continued to grow and resulted in a surplus in 1992. Total foreign exchange income recorded an increase of 106 percent by the end of 1992.

On the other hand, he said, hard currency payments for imports recorded higher growth than that for exports and there was a deficit in revenue and expenditure from foreign trade. But non-trade foreign exchange remained at a surplus last year.

Speaking about this year's foreign debt management, he said, China will gradually expand the experiment in medium- and long-term foreign debt management in a bid to bring the total foreign debt under control.

A competitive mechanism will be introduced in the management for raising foreign funds. Those who have higher financial credibility ratings and stronger capabilities will become the main channel for raising foreign funds in the country, he added.

The director said that the government will continue to encourage banking groups to provide investment for China's enterprises for large and medium-sized projects.

The state also allows monetary organizations in some localities with better conditions to issue foreign exchange bonds in the country in order to widen channels for raising foreign funds through non-governmental channels.

Foreign Exchange Balance Declines in 1992

HK1602024293 Beijing CHINA DAILY in English
16 Feb 93 p 2

[Article by staff reporter Ren Kan: "Foreign Exchange Balance Declines"]

[Text] The State foreign exchange balance experienced a decline last year, following three consecutive years of surpluses, a senior official at the State Administration of Exchange Control said yesterday.

The decline was attributed to last year's sharp rise in the country's imports, which resulted in a deficit in the balance of trade income and expenditure in foreign exchange in cash.

According to custom statistics, China's import value last year hit \$80.6 billion, an increase of 26.4 percent over the previous year.

The State foreign exchange balance accounts for a major part of the country's total foreign exchange reserves, which also include gold reserves and special draw rights.

But analysts said the decline did not affect the country's ability to pay foreign debts.

China's outstanding foreign debts last year continued to increase, but at a slower pace. The specific amount of foreign debt was not disclosed.

"The debt service ratio was well below the internationally recognized warning level last year," said Yin Jieyan, head of the administration, at the opening ceremony of the administration's annual working conference.

And the structure of foreign currencies, repayment deadlines and interest rates were basically kept at a manageable level, he said.

During the five-day meeting, the directors of foreign exchange control bureaus across the country are expected to hammer out guidelines for 1993.

During his speech yesterday, Yin promised his administration will speed up reform of the foreign exchange management system.

The long-term goal of the reform is to make renminbi a freely convertible currency, he said.

But it will be a gradual and time-consuming process, which requires a certain amount of foreign exchange reserve, a more developed foreign exchange market and better laws and regulations.

Yin said China will first create conditions for free exchange of renminbi in current accounts and then for capital accounts.

To fulfill the goal, he said, the distribution of foreign exchange resources should be shifted from the previous track dominated by the planned economic system to one yielding to market forces.

And the direct government control of foreign exchange at present should be transformed into indirect macro-control.

Yin said this year the administration will take measures to develop the foreign exchange market.

It is planning to put the trading of foreign exchange under a unified market system.

China has set up more than 100 foreign exchange swap centres since 1988, but they are not properly linked to each other, which makes communications between them difficult.

The total transaction value of foreign exchange in the country's swap centres last year amounted to \$25.1 billion, \$4.65 billion more than the previous year.

Meanwhile, the administration will start phasing out the foreign exchange quota system on a trial basis. Some enterprises will be allowed to retain foreign exchange in cash.

Foreign Exchange 'Swap Market' Marks Expansion

OW1502113193 Beijing XINHUA in English 1115 GMT 15 Feb 93

[Text] Beijing, February 15 (XINHUA)—China's expanded foreign exchange swap market traded 25.1 billion U.S. dollars in 1992, 4.654 billion U.S. dollars more than the previous year, according to the State Administration of Exchange Control here today.

An official from the administration said that the volume of transactions handled through the swap market accounted for 49.8 percent of the total volume of foreign exchange used in the country in the year.

China has now established an automated foreign exchange trading quotations system consisting of 26 swap centers in different regions.

Moreover, open markets for hard currency trading have been set up in Tianjin city, Jiangsu, Anhui, Henan and Hunan Provinces and other regions, according to the administration.

The volume of foreign exchange traded by Chinese residents is increasing rapidly. The swap centers bought 213 million U.S. dollars from Chinese residents and sold 189 million U.S. dollars last year.

Despite dramatic increases in prices and the amount of foreign exchange traded in the swap centers, the structure of foreign exchange investment distribution still remained at an equitable level.

The official said that this has played a positive role in accelerating structural readjustments and expanding utilization of foreign funds.

He said that the Chinese Government will further develop and improve the operational mechanism for management of foreign exchange swap centers and develop long-term trade business.

Bank of China Director on Monetary Policy

HK1302014493 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0734 GMT 7 Feb 93

[Text] Beijing, 7 Feb (ZHONGGUO TONGXUN SHE)—Li Guixian, state councillor and director of the People's Bank of China [BOC], stressed a few days ago at a news briefing here that this year China is going to pursue tight macroscopic financial regulation and control, which means careful planning and tight controls on credit scale and the issuance of currency and permitting

no excess over the planned levels. This does not mean a tightening of the money supply.

Li Guixian's statement was directed at views in the outside world that China was planning to adopt a deflationary monetary policy in response to the growing signs of an overheated economy.

Li Guixian said that this year's monetary and credit plans are based on leading GNP growth indicators. A good execution of these plans will actively help bring about good and rapid economic development and the rational structuring in capital required by reform and opening up. What has happened is that this year's credit scale was even larger than last year's.

According to a China's State Information Center forecast, the annual growth rate in monetary demand prompted by economic growth this year will roughly be 18.2 percent. As for the growth target laid down by the government, it will not be announced until it is passed by the National People's Congress this March.

Li Guixian pointed out that, as a central bank, the BOC will use the method of imposing ceilings to enforce its monetary policies. As the economy develops and the role of the market expands, however, it will become increasingly difficult to decide on a ceiling which can promote economic development but which will not lead to a high inflation rate. Control of currency issuance is much more difficult than that of credit scale. He said: As an example, last year the massive increase in the number of firms, individual businessmen, and development zones; the establishment of bonds and securities markets; the fact that the renminbi was already circulating in the border areas of China's neighbors; and other such factors all produced a great demand for cash and affected the volume of money supply.

Li Guixian stated that macroscopic financial regulation and control must coordinate its regulation and control on aggregate monetary and credit volumes with economic development and changes, must firmly support better national economic development, and must work to maintain monetary stability to prevent inflation.

For this, Li Guixian demanded that state banks at all levels strictly enforce the state credit plans and loan plans on fixed assets and not issue loans in excess of the planned scale. At the same time he called for them to vigorously organize their deposits, increase recovery of issued currency, restructure their loan mix, and better utilize their capital.

Limits for International Transport of Renminbi

*OW1302100393 Beijing XINHUA in English 0942
GMT 13 Feb 93*

[Text] Beijing, February 13 (XINHUA)—The People's Bank of China has announced the limit on the amount of renminbi which can be carried by Chinese and foreign individuals leaving and entering China.

From March 1 each person can carry up to 6,000 yuan.

At spots of border areas which allow trading among individuals and trade in small amount, however, there may be renminbi carrying limits set by the provincial branch of the bank, in consultation with the customs, to meet the local situation. The limits will be carried out after the approval from the head office of the People's Bank of China and the general administration of customs.

Government Attempts Free Exchange for Renminbi

*OW1402143693 Beijing XINHUA in English 1412
GMT 14 Feb 93*

[Text] Beijing, February 14 (XINHUA)—China is trying to make free exchange of renminbi as "a long-term objective of reform on foreign exchange management system," a high-ranking government official said here today.

Yin Jieyan, director of the State Administration of Exchange Control, said in an interview with XINHUA that China will first create conditions for free exchange of renminbi for regular services and then for capital items.

"This is a gradual process," he added.

To this end, he said, there are many things to do and people have to make changes in ideology and practical work in some aspects.

First of all, he said, the distribution of foreign exchange resources should be transformed from the previous track dominated by the planned economic system to one yielding to market forces in the future.

And then, the direct government control of foreign exchange at present should be transformed into indirect management. Market mechanism, banking organizations and total quotas should be used as intermediate links, he added.

Furthermore, he said, the foreign exchange management departments should combine management with service, by offering advices for enterprises.

Speaking about this year's work, he said the state will make further efforts to ensure smooth operation of the foreign exchange swap centers.

In accordance with state industrial policy and foreign trade system reform, he said, China will actively develop long-term foreign exchange trading business.

Article Examines Growing Capital Market

*HK1602004993 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 6, 8 Feb 93 pp 10-11*

[Article by Wang Hongyang (3076 3163 3152): "Sprouting Capital Market on Chinese Mainland"]

[Text] The appearance of the Chinese mainland's first share certificates in Shanghai in 1984 represented the origins of the capital market in the Chinese mainland.

In the past, under the traditional planned economy model, China always carried out the system of allocating and transferring costless funds through the government department concerned and there were no such things as market and capital at all. However, after the economic structural reform began, the investment form was changed from financial appreciations into loans. With the power of financial management being delegated to lower levels, a credit market and other capital-related markets gradually appeared. This brought about the changes "from funds to capital," step by step. The issuing of stocks finally effected the qualitative leap of extraordinary significance.

Capital Market Is Sprouting

In 1991, Wei Wenyuan, general manager of the Shanghai Securities Exchange, said that the long-term objective of China's securities market construction was to gradually form a "planned capital market." In a journey from south to north in the Chinese mainland, this reporter observed the concrete facts of the sprouting capital market:

—Various economic sectors and administrative units bought and held each other's shares and such cross investment has increased sharply. The capital structure of the Dalian Securities Company, run by the Dalian city branch of the People's Bank of China [BOC], was: some 5 million yuan from the BOC branch; 2 million yuan from the city government financial bureau; 2 million yuan from the city government harbor administration; 1 million yuan from the Dalian City Credit Cooperative; and 1 million yuan from the Huayin International Trust Company of Hainan. In another case, the 20 million registered capital of the Tianjin Securities Company was also jointly contributed by the Railway Ministry Third Design Institute, the Tianjin Trust and Investment Company, the Tianjin Joint Textile Import and Export Corporation, the municipal branch of the Agriculture Bank, and a Tianjin insurance company. Since there was such a compound capital structure in the financial institutions which would be regarded as something that had to be run by the government in the past, the capital structure of other economic entities was more complicated. Such examples could be found everywhere in the north as well as in Shenzhen and Zhuhai.

—The activities of giving out capital by one enterprise or a compound economic entity were increasing and capital investment formed a radiating pattern. For example, the Baoshan Iron and Steel Complex made a series of investments in southeast coastal areas; the Shoudu Iron and Steel Company made full-scale investment by purchasing shares of enterprises in the United States and Peru; the Chang Jiang Economic

Joint Development Co. Ltd., with a total of 800 million yuan of registered capital, was set up by such shareholders as the Communications Bank and the governments of Nanjing city, Chongqing city, Wuhan city, and Shanghai municipality. All this shows that the capital operations of the large enterprises and economic groups in the Chinese mainland are oriented to the market and society. People in the financial and economic circles hold that this indicates the shift of the main investing body from the state to the enterprises and that the restructuring of the traditional investment system has really started.

—The integration of industrial capital took more plural and complex forms according to the market rules. The shareholders of the Hengtong Enterprise Co. Ltd. in Zhuhai included enterprises in the metallurgical, building materials, construction, machine-building, electronics, car making, shipbuilding, banking, and foreign trade industries. Joint-stock companies also kept emerging in large numbers in Shenzhen, Dalian, and Shanghai's Pudong. The cases of "parthenogenetic reproduction" by one single enterprise was decreasing and more and more fruits of "free love" and "free marriage" of the capital from various industries were emerging. The trend will eventually substantially benefit adjustment of the industrial structure in the Chinese mainland and will gradually generate the economic concept of "capital market."

—A new type of capital-intensive economic group has appeared in the coastal belt. One of the examples was the Hengtong Company in Zhuhai. This company, with limited liability, was jointly founded by nearly 20 large and medium domestic enterprises, including Baoshan Iron and Steel Complex, Panzhihua Iron and Steel Complex, and No. 2 Motors. These shareholders came from seven provinces and municipalities, embracing Beijing, Shanghai, Guangdong, Sichuan, Hunan, Gansu, and Hubei. When the founding of the company was prepared a year ago, the registered capital was less than 18 million yuan but its current assets exceed 100 million yuan and its "affiliated assets" already exceed 4 billion yuan. Such extraordinary capital expansion was effected through the three main channels of business returns, asset yields, and speculation gains. Yang Bo, chairman and general manager of this company, explicitly explained that he was operating simultaneously in "the commodity and capital markets." In reality, the main part of the operation lies in the capital market. Hengtong's investment method was to hold a very small part of shares with a project, sometimes only holding less than 1 percent of the stakes, but this enabled the company to get involved in several million yuan, several 10 million yuan, or even several hundred million yuan of state assets.

In Shenzhen, Wanke Co. Ltd. was originally a trading company but it has obviously adopted a capital operation strategy similar to that adopted by Hengtong. General Manager Wang Shi said: "At present, the company's

investment strategy has gradually changed from directly establishing and running enterprises to holding shares with existing enterprises and holding the equity capital in the form of securities. The company plans to complete this strategic change by 1994. In Shanghai, such economic groups as Zhong Chuang and Guang Da also displayed the same intentions.

Yan Chu, director of Zhuhai's Economic Restructuring Office, said that in essence, the capital groups are completely profit-oriented; or, more accurately speaking, they constitute a higher tier in the present joint-stock economy in the Chinese mainland. They have emerged against the macroeconomic background of the emerging securities market. After the emergence of the real estate market, they further expanded. Their activities greatly stimulated and activated the capital market in the mainland.

Characteristics of Mainland Capital Market

After observing the current conditions of the stock markets in the north and south of China, and their development tendency, one can reach the following conclusion: The central and basic characteristic of the sprouting capital market is the cross-holding of shares with legal persons.

On the surface, this feature of the mainland stock market is similar to stock markets in the Western countries. However, a concrete analysis of the composition of the legal persons may show that state enterprises and collective enterprises still hold a dominant position. With regard to the quantity of assets they possess, the dominant position of shares held by the state and by legal persons is more prominent. This point can be regarded as the essence of the capital market in the Chinese mainland.

What concrete form and position should the capital market take in the large system of the socialist market economy in China? Lou Jiwei, director of the State Commission of Economic Restructuring's Macrocontrol System Department, said: We can imagine that cross-shareholding between legal persons will become more common and the system of legal person ownership will be adopted.

Concrete analysis shows that funds for the capital market in the Chinese mainland mainly come from the following sources:

—For most industrial and commercial enterprises, the largest financial source at present is their location on the map of their city's opening scheme. Most factories and shops hold large stretches of land and many houses in the downtown areas. The real estate assets can play a great role in the new upsurge of the tertiary industry's development and in urban construction. For a long time there have been many small plants along Nanjing Road in Shanghai. At present, Shanghai's commercial department has decided to buy the right to the real estate from the industrial department. According to a rough estimate a few years ago,

Shanghai can increase returns from such real estate assets by as much as 500 billion yuan through changing the use of the land. This is an astronomical figure in the Chinese mainland.

—Human power resources will realize their value. In the Chinese mainland, the cost of labor is very low and the price has not yet been decided by the market. In addition, substantial gains can be made from the labor cost gap between large and medium cities, between cities and the countryside, and between the north and the south.

—Savings and cash held by urban and rural residents in China total somewhere between 1,300 and 1,500 billion yuan.

—People who have become rich ahead of others hold large amounts of money. Many of them are individuals running their own industrial or commercial businesses. They accumulate wealth in arithmetic progression through manual operations and this is also a type of industrial capital.

In recent years, huge changes have occurred among those people who became rich ahead of others through primitive accumulation based on simple labor. The number of such people increased rapidly and they could be found everywhere in south China and north China. According to the situation in Beijing, Dalian, Shenzhen, and Zhuhai, it was very obvious that the agricultural capital was changing into commercial capital. The stock exchanges in Shanghai and Shenzhen were extremely favorable to the change of the industrial capital into interest-earning capital. According to an investigation, 50 percent of the first group of individual retailers selling fish, meat, vegetables, and fruit in Shanghai have become major stock speculators. Like those who completed primitive accumulation through manual labor, a large number of people returning from working overseas brought back huge amounts of money from Japan, Australia, and other foreign areas. They also invested the money in the stock market.

—State capital.

—Funds accumulated by legal-person enterprises.

—Foreign capital. The stock market in the Chinese market will certainly come into contact with the international capital market. At present, foreign capital has begun to enter the B shares market and the real estate market but the proportion remains rather small.

Establishing Theory About the Capital Market

According to this reporter's investigation, with the development of the stock market and the markets for other production factors, and with the maturity of the market economy, Chinese society will certainly call for the founding of a capital market.

Xie Ping, director of the Savings and Interest Rate Department of the BOC, pointed out: In previous years, theoretical studies over China's stock market were rather

weak. In the next stage of reform concerning the stock market, some theoretical issues can no longer be dodged. For example, there is the question concerning the "reaping-without-sowing" nature of individual financial investment and the forming of the "rentier" stratum; the question about "speculators" in the stock market; the question of the state-owned banks' action of pressing for payment of debts from state-owned enterprises; and the question concerning the appearance of individual real estate developers and rich individual financiers.

Some theorists in Beijing, Shanghai, and Guangzhou hold that while the mainland stock market has developed to today's condition, particularly as substantial advances were made in 1992, many fresh facts and phenomena have provided sufficient material for theoretical research. For example, will the legal person shares in society, which account for a substantial part of capital in China, restructure the public ownership foundation for China's socialist market economy? Will the state-owned shares and the legal person shares constitute a new form of monopoly? Will the legal person capital eventually become private capital? How should individual capital be encouraged and restrained? How should power capital be prevented?

Some people called for organizing strength at an earlier date to start the building of the theory about China's stock market and capital market to guide the in-depth development of the market economy in various localities. Only thus can China's stock market gradually move onto a healthy and rational path in and after 1993.

Machinery, Electronic Products Exports Increase

OW1502151793 Beijing XINHUA in English 1454
GMT 15 Feb 93

[Text] Beijing, February 15 (XINHUA)—China's export of machinery, electronic products and instruments is on the increase.

According to the statistics released by China's Chamber of Commerce for import and export of machinery and electronic products, the export of machinery, electronic products and instruments, is second only to the export of garments.

Last year the export of the products reached 19.5 billion U.S. dollars, accounting for 23 percent of China's total exports.

In 1985, the value of China's export of machinery, electronic products and instruments was only 1.6 billion U.S. dollars.

To meet the rapid increase in exports, the Chamber of Commerce and Shenzhen municipal government has decided to hold the '93 China trade fair of machinery, electronic products and instruments in April. More than 300 enterprises will take part in the fair.

Industrial Output Reaches Record Level in 1992

HK1402072093 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 14-20 Feb 93 p 8

[By Qu Yingpu: "Statistics: Industrial Output Value Hits Record \$487.6 Billion"]

[Text] China's industrial output value hit a new record of 2.8 trillion yuan (\$487.6 billion) last year, according to the latest government statistics.

The inflation-adjusted figure represented a hefty increase of 21.7 percent over the year-ago level, thanks to the government's call for high economic growth and support by a loose bank-credit policy.

Figures released by the State Statistics Bureau show that capital construction spending on State industries last year jumped 37.6 percent over 1991 to top 291.14 billion yuan (\$50.2 billion).

Of the total investment, 128.6 billion yuan (\$22.2 billion) went to projects under the administration of the central government, an increase of 21.3 percent. The rest went to those under local authorities, up a whopping 54 percent.

Manufacturing projects absorbed 204.3 billion yuan (\$35.2 billion), an increase of 35.3 percent over 1991.

Non-manufacturing investment totalled 86.8 billion yuan (\$15 billion), up 43.4 percent, of which 33.2 billion yuan (\$5.7 billion) was spent on housing, a 40.6-percent hike.

Money spent on technical renovations in State industries last year hit 141.8 billion yuan (\$24.4 billion), up 38.6 percent.

In industrial production last year, light industrial output jumped 20.1 percent to 1.35 trillion yuan (\$233.9 billion) while heavy industrial output gained 23.2 percent to 1.48 trillion yuan (\$255.4 billion).

In 1992, State industries generated 1.7 trillion yuan (\$289.9 billion), a rise of 13 percent over 1991, while collectively-owned enterprises chalked up a 33.2-percent increase to 915.2 billion yuan (\$157.8 billion), of which 502 billion yuan (\$86.6 billion) was generated by plants in rural areas, up 52.2 percent.

Foreign-funded enterprises and private firms reported an output of 241.6 billion yuan (\$41.7 billion), a buoyant increase of 54 percent over a year ago.

A close look at production last year indicates it jumped substantially.

Production of television sets increased by 7.4 percent to 28.16 million, of which 13.14 million were colour television sets, an increase of 10 percent.

Automobile production went up 51.8 percent to 1.08 million.

Production of domestic washing machines gained 4.4 percent to 7.13 million while production of refrigerators went down 0.1 percent to 4.75 million.

The output of yarn gained by 8.4 percent to 4.83 million tons and the production of chemical fibre cloth went down 9.9 percent to 1.85 billion metres.

The production of cigarettes inched up 2.8 percent to 1.6 trillion while the output of beer climbed 23.6 percent to 10.05 million tons.

Steel production generated 80 million tons, up 13.3 percent and the production of steel products gained 17.8 percent to 65.34 million tons.

Production of sulphuric acid grew 6.2 percent to 13.96 million tons while the output of soda ash increased by 16 percent to hit 4.5 million tons.

Production of chemical fertilizers was up 5.6 percent to 20.9 million tons and timber production dropped by 1.8 percent to 38.37 million cubic metres.

Production of cardboard was up 39.5 percent to 3.77 million cubic metres and the production of cement was up 22.3 percent to 297.82 million tons.

Production of flat glass went up 12.2 percent to 96.49 million boxes (one box weighs 50 kilograms).

Meanwhile, energy production last year totalled 1.06 billion tons of standard coal equivalent, an increase of 2.9 percent over 1991.

Production of undressed coal inched up 3.1 percent to 1.09 billion tons, while production of crude oil grew 1.6 percent to 141.74 million tons.

Natural gas production inched up 1.2 percent to 15.5 billion cubic metres while production of hydroelectric power gained 5.6 percent to 130 billion kilowatt-hours.

Trade Volume in Open Coastal Cities Grows

OW1302193793 Beijing XINHUA in English 1516
GMT 13 Feb 93

[Text] Beijing, February 13 (XINHUA)—China's 14 open coastal cities realized an import and export value of 29.17 billion U.S. dollars last year, 24.3 percent more than in the previous year.

Customs statistics show that the increase in import value was over 20 percent higher than that of exports.

The export value of the cities was 16.4 billion U.S. dollars, 16.2 percent up over the 1991 figure, while the import value, 12.77 billion U.S. dollars, represented a rise of 36.6 percent over the previous year.

Officials from the General Administration of Customs say that more industrial finished products were exported, and accounted for 84 percent of the total.

Textiles and garments ranked first in the export products, which earned about 5.68 billion U.S. dollars, a 17.8 percent increase over 1991.

The officials say that despite a 37.6 percent increase in the export volume of electrical-mechanical products, the proportion of export value of such products was still one percent lower than the country's average.

The open cities carried out a processed trade value of 14.2 billion U.S. dollars, 23.8 percent more than in the previous year.

The cities' exports last year to the United States, Japan and the European Economic Community were valued at 7.83 billion U.S. dollars, a quarter more than in the previous year.

'Commentary' on Transport Sector 'Bottleneck'

OW1402224793 Beijing XINHUA Domestic Service in
Chinese 0348 GMT 12 Feb 93

["Weekend Economic Commentary" by XINHUA reporter Wang Yanrong (3769 1693 2837)]

[Text] Beijing, 12 Feb (XINHUA)—The "flow of civilian workers" [min gong chao 3046 1562 3390] remains a major economic topic this week. A new record for recent years was set this week; the nation's railway system transported 3.48 million passengers on 9 February—the average daily volume of railway passengers has now topped 3 million for 14 consecutive days.

Meanwhile, civilian airports, which were once almost deserted, have now come alive. The utilization rates of regular flights between Guangzhou, Shanghai, and Beijing have remained over 70 percent. All the seats on the Beijing-Haikou flights for February are booked.

This explosive growth of passenger flow foretells the predicament of the transportation departments under the pressure of economic demands. An authoritative person predicts that the communications and transportation industries—the "bottlenecks"—will experience even greater strains in the last three years of the "Eighth Five-Year Plan" period [1991-95] because of the inefficient traffic facilities. Take the railroads, for example. China's industrial output rose over 20 percent last year while its railroad transport volume grew only 3 percent. Nearly half of the nation's cargo transport needs are unfulfilled; the nation's major railroad trunk lines and centers of transportation are already operating at full capacity.

The communications and transportation industries, which are supposed to be the "precursor" of the national economy, are lagging far behind. Why? The reasons are multifarious; too low a share of investment allocated to the sector is a major restraining factor. During the period of the First Five-Year Plan [1953-57], investment in transportation and posts and telecommunications accounted for 13.3 percent of total investment in capital

construction. Thereafter, the proportion declined steadily, down to 13.3 percent during the Sixth Five-Year Plan [1981-85], far below the average level of developing countries—between 20 to 28 percent—as indicated by World Bank statistics. In spite of the increase in state investment in communications and transportation during the period of the Seventh Five-Year Plan [1986-90], the volume of railroad track laid during that period was less than any other five-year period, partly due to neglect in the preceding years and price hikes. Strains in transportation have not improved; on the contrary, they were only made worse by the economic recovery.

The “flow of civilian workers” has continued to be a topic of conversation this week. People are again asking: As the whole nation is entering a new phase of economic development, what should be done with regard to communications and transportation?

As a matter of fact, the state decisionmaking authorities have been paying great attention to the situation—that is, communications and transportation being the “bottlenecks” in the development of all lines of business. The State Council has decided to speed up railroad construction and move up the completion dates of the Beijing-Jiujiang railroad, the Baoji-Chengdu railroad, the Houma-Yueshan railroad, and the double-tracking of the Lanzhou-Urumqi railroad. To this end, it has increased funds for railroad construction and worked out a policy for funding the construction of new, high-quality rails. It also approved a policy of allowing joint investment by central and local authorities in railroad development and opened up new sources of funding for railroad construction and development. Railroads, communications, civil aviation, and posts and telecommunications departments all made a major upward readjustment of their five-year plans and adopted grand goals of accelerated development.

What is heartening is that these “bottleneck” departments are setting their eyes on deeper reforms and wider opening up in search of new sources of funding. Communications and civil aviation departments have decided to gradually open up the domestic transport market and to allow foreign investors to participate in highway transportation and jointly build or run wharves and airports. Even the railroad, which had always been put under a high degree of centralized management, is eager to try the march toward the market. The recently inaugurated Guangzhou Railroad Corporation (Group) represented a departure from decades of a unified operations and management. The company will independently operate railroad lines within its administration, accumulate funds through its operations, and find other sources of funding to build or renovate railroads. According to plans, by 2000, the group will, through its own accumulation and funds raised by itself, build 2,700 km of new track or electrified rail lines in the three provinces under its jurisdiction—Hunan, Guangdong, and Hainan. Moreover, it will also build the Guangzhou-Shenzhen Railroad into an quasiexpress line, thereby

doubling the group's passenger and freight transport volume over the last year of the Seventh Five-Year Plan and basically meeting the needs of the three provinces' economic development.

Energy Price Decontrol To Increase Costs

HK1202145093 Hong Kong MING PAO in Chinese
9 Feb 93 p 7

[By special correspondent Kui Ming (4097 7686): “Gradually Decontrolling Coal and Crude Oil Prices Will Lead To a Rise in Production Costs”]

[Text] It has been learned from the government departments concerned that, although the prices of coal and crude oil are still controlled by the central government, starting later this year, a considerable part of these two major energy materials will be gradually subject to price decontrol. This will lead to an increase in production costs in the future, though the export price may go down.

Internal documents in the mainland show that this year will see 80 million tonnes of coal sold at market prices rather than the price fixed by the state.

Last year, price decontrol was applied to 100 million tonnes of coal originally distributed according to the state plan, and price decontrol will be applied to another 80 million tonnes this year. A total of 180 million tonnes of coal will be sold at market prices. This will account for nearly half the gross quantity of commodity coal distributed by the state.

According to an official with the China National Coal Mine Corporation, which is in charge of coal production and distribution throughout the country, the State Council has decided that, in the future, the quantity of coal to be sold at market prices will be increased 80 million tonnes every year. Coal prices will be completely decontrolled in three years.

The official said that his corporation would still hold 240 million tonnes of coal under price control this year. As mentioned above, all coal will be sold at market prices in three years. To support the decontrol of coal prices, the state will set up a number of coal markets in Zhengzhou and other places this year and will prepare for getting the coal produced in China onto the international market. According to an official with the China National Petroleum and Natural Gas Corporation, 22 million tonnes of crude oil produced by the Daqing, Shengli, and Liaohe oil fields will be sold at market prices. Until 1995, the quantity of crude oil sold at market prices will be increased 22 million tonnes each year. Quotas will be assigned to the three major oil fields.

As for the Jilin oil field, according to the application filed by Jilin Province, state control over the output, sale, and price of oil will be completely lifted.

In the past, crude oil produced by other mainland oil fields was completely distributed by the state. Beginning

this year, crude oil will be purchased by the China National Petroleum and Natural Oil Corporation at the international price (approximately \$18 per barrel) and will then be sold by the corporation at a fixed price.

Officials in the state's coal and oil departments predicted that, due to the price decontrol measures, the prices of coal and crude oil will get higher, and the situation will be similar to that after paper prices were decontrolled a few years ago. The production costs for various types of productive enterprises will inevitably rise. Foreign-funded enterprises, including Chinese-foreign joint ventures, which can only procure coal and crude oil from the market and cannot get such energy materials through the state's unified distribution system, will certainly find that their production costs are higher. To reach the overseas market, however, the export price of coal and crude oil will certainly fall following the price decontrol and will be brought into line with the market price before too long.

Peasants 'Dissatisfied' With Growing Wealth Gap
HK1602070193 Hong Kong AFP in English 0548 GMT 16 Feb 93

[Text] Beijing, Feb 16 (AFP)—China faces a major problem with peasants in poor inland areas left dissatisfied as their coastal counterparts grow rich, Agriculture Minister Liu Zhongyi said Tuesday.

"The main problem is farmers who only plant grain. Their income did not increase last year although their production increased," the minister told a news conference. Peasants in inland areas have not been able to take advantage of the last decade's economic boom in coastal areas and have not developed value-added agricultural processing, Liu said.

Chinese leaders have said the growing gap between China's poor and rich regions must be addressed if the communist authorities are to prevent social unrest.

The minister declined to say how many of China's 400 million farmers lived in poorer areas or give exact figures on the size of the wealth gap. Poor farmers faced not only declining grain prices, but excessive taxes and fees and some local governments' practice of buying grain with IOUs instead of cash, Liu said. Under a central government directive, local officials were ordered pay off last year's IOUs by January 15 this year. The total IOUs cashed in amounted to three billion yuan (517 million dollars), the minister said. The figure was more than 10 percent of the value of the 50 million tonnes of grain purchased by the state last year.

The excess taxes and fees were being levied by local officials in their zeal to build schools, hospitals and automated telephone networks to keep pace with economic development. "One or two of these projects is okay, but too many of them at once will overburden farmers," the minister said, adding that the central

government was trying to restrict infrastructure spending to appropriate levels.

Liu said the only long-term solution to the problem was to stimulate economic development by promoting value-added industry in rural areas and market mechanisms such as wholesale and futures markets. Rural industry, known in China as "township and rural enterprises," would also help to absorb the nearly 100 million surplus workers in the countryside, many of whom are rushing to the cities to find jobs, he said.

The minister expressed confidence in the competitiveness of Chinese agricultural products on the international market with Beijing's expected re-entry into the General Agreement on Tariffs and Trade. He said that as part of its market reforms, the central government would delegate the power to engage in foreign agricultural trade to local governments and firms.

The government expects stable grain production in 1993, barring major natural disasters, the minister said.

Agricultural Production 'Booming' in Coast Areas
HK1602002893 Beijing ZHONGGUO XINWEN SHE in English 1333 GMT 15 Feb 93

[Text] Beijing, February 15 (CNS)—China's coastal areas including those in the provinces of Guangdong, Shandong, Fujian, Jiangsu, Zhejiang and Hainan have taken the initiative in opening farm produce prices and management to market forces. They have accelerated the opening of rural development to the outside world, a move leading to booming agricultural production. All these six provinces had bumper harvests last year with a noticeable gain in the peasants' income and a rural economic level strikingly higher than the national average.

Coastal areas have since 1984 undertaken reform of the administrative system for agricultural production. They brought farm produce prices and management under market regulation step by step, leading in turn to a massive output of agricultural produce. Guangdong, a pioneering province in such reform, reduced the types of farm produce coming under the state monopoly for produce and planned purchase from 117 in the early 1980s to 2 in 1992. As a result, the availability of vegetables in the province rose by 100 percent, poultry by 150 percent and fruit by 200 percent within the space of six years.

The coastal areas sped up their pace of opening farming to the outside world with the presence of a number of foreign-related agricultural development trial zones and export-oriented agricultural zones in these areas. Regulations on bringing in foreign investment for farming development issued last year in Zhejiang led to the utilization of over U.S.\$40 million in a period of just six months. A stretch of barren land earmarked by Zhuhai for the construction of export-oriented farming zones resulted in market links with over ten countries. About

7.53 million mu of land in Hainan attracted a dozen foreign businessmen involved in rural exploitation there.

With the upgrading of agricultural modernization, farming produce from coastal areas has shown increasingly strong competitiveness in the international market. Agricultural produce from these areas made up more than one-third of their gross exports last year. Meanwhile, the coastal provinces have introduced advanced technology for further farming development.

Timber Imports To Fill 'Huge Gap' in Needs
HK1402063593 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 14-20 Feb 93 p 8

[Article by Wu Yunhe: "China's Dependence on Foreign Timber To Grow"]

[Text] Timber consumption in China is expected to increase this year and the country will have to import a great deal more to meet growing domestic demand.

A group of forestry officials, after conducting a survey of China's economic indicators, concluded that timber consumption on the domestic market will jump 23 percent while output is expected to climb 5.2 percent compared to last year.

The survey predicted that there would be a huge gap between China's timber supply and consumption, leaving an expected supply shortage of about 14 million cubic metres of timber this year.

China has already imported millions of tons of timber to meet the demand of domestic industries, which have suffered from timber supply shortage over the last few years.

Increase in timber imports was expected this year, forestry officials, who declined to be identified, said.

The worsening trend prompted by surging timber demand and shrinking timber supply capacity in China can hardly be held back, resulting in increased dependence on foreign products, they added.

Chinese officials also spoke of other difficulties caused by the fact that some major timber-producing countries, such as the United States, the former Soviet Union, Malaysia, South America and Central Africa, are cutting down timber exports and pushing up retail prices.

The acute domestic timber shortage is mainly the result of the burgeoning economy, according to an official source in the Ministry of Forestry.

The government plans to inject a hefty sum into coal mining, paper production, and telecommunications industries this year in an attempt to develop them further.

These sectors all are major timber consumers, leading to an increase in demand for the material.

The source also said the investment in capital construction in China is expected to continue to rise from last year's estimated 730 billion yuan (\$128.1 billion).

Another major factor expected to trigger an increase in the demand for timber is the government's plan to build more houses both in rural and urban areas this year.

Chinese experts say there will be nearly 5.7 billion square metres of dwellings built this year.

As a result, pressed wood, veneer wood and other building materials will be in short supply as domestic production and foreign imports cannot meet the requirements for many types of wood.

At the same time, agricultural officials predicted that farming development projects, which are being injected with unprecedented sums of money by the government this year, will also use up large amounts of timber as basic building materials.

The Ministry of Forestry has reported that quickening progress in afforestation last year has lifted China's forest coverage up to 13.63 percent from 13.4 percent of the country.

China now has some 131 million hectares of trees and 10.96 billion cubic metres of storage timber.

East Region

Reportage on Anhui People's Congress Session

Namelist of Presidium Published

OW1302141293 Hefei ANHUI RIBAO in Chinese
30 Jan 93 p 1

["Namelist of the Presidium and Secretary General of the First Session of the Eighth Anhui Provincial People's Congress, Adopted on 29 January 1993 at the Preparatory Meeting for the First Session of the Eighth Anhui Provincial People's Congress"]

[Text] Presidium (59 people, arranged in the order of the number of strokes in their surnames):

Ding Lunyou [0002 0243 0645]	Wei Naibin [5898 0035 2430]
Wang Taihua	Wang Guangyu
Wang Chengfa [3769 2052 3127]	Wang Shengjun
Wang Zhaoyao [3769 2507 5069]	Bian Guofu [0593 0948 4395]
Fang Zhaoxiang	Lu Rongjing
Lu Shengdao	Liu Guangcai
Liu Wei	Liu Qiyang [0491 0796 5391] (F)
Jiang Zehui [3068 3419 1979] (F)	Du Hongben
Du Cheng [2629 6134]	Du Weiyou
Yang Fangzhi [2799 2455 1615]	Yang Yongliang
Yang Zhenyi [2799 2182 3015]	Li Zhijian
Shu Delin [2631 1795 2651]	Wu Benren [0702 2609 0088]
Wu Changqi	Ying Yiquan (F)
Wang Hengfu [3076 1854 1381]	Shen Shanwen
Song Xiaoxian [1345 1321 6343]	Lu Zixiu
Lu Desheng [7120 1795 3932]	Chen Tianren
Chen Guanglin	Chen Tingyuan
Chen Shude [7115 2885 1795]	Chen Peisen
Shao Ming	Ji Kunen [1323 2492 2773]
Zhou Hanru [0719 5060 0320] (Man nationality)	Zheng Rui
Zheng Weicheng [6774 4580 1004]	Meng Fulin
Hu Yunlong [5170 0061 7893]	Hou Yong
Yu Jiadi [0358 0857 4574]	Xia Fanian [1115 4099 1628]
Xu Tanglian [1776 1016 6647]	Xu Qing
Yin Jiahua [3009 1367 7520]	Gao Fuming [7559 4395 2494] (F)
Huang Lahou [7806 1774 0186]	Kang Zhijie
Dong Yunian [5516 3768 1628] (F, Hui nationality)	
Dong Suwan [5516 5685 4111]	Dong Xinchun [5516 2450 2504]
Cheng Zhixue	Fu Xinhou
Cai Bingjiu 5591 4426 0036]	Pan Zhongyao [3382 1813 1031]

Secretary General: Yang Yongliang

Opening of Congress Noted

OW1402051293 Hefei ANHUI RIBAO in Chinese
31 Jan 93 pp 1-2

["The First Session of the Eighth Provincial People's Congress Solemnly Opens"]

[Text] On the morning of 30 January, the first session of the eighth provincial people's congress solemnly opened in Anhui Theater.

About 700 people's deputies to the provincial people's congress from all fronts across the province filed into the conference hall; entrusted with an important mission by the people, they were full of pride and enthusiasm as well as a sense of responsibility as masters of the country. At 0830 GMT, Wang Guangyu, the executive chairman of the congress, declared the session open. Deputies to the session and comrades attending as observers stood up for the playing of the national anthem. The entire hall was filled with a warm atmosphere of unity and democracy.

Other executive chairmen of the session were Lu Rongjing, Meng Fulin, Yang Yongliang, Wang Taihua, Zheng Rui, Liu Guangcai, Wang Shengjun, Chen Guanglin, Fang Zhaoxiang, Shen Shanwen, Ying Yiquan, Kang Zhijie, Du Weiyou, Chen Tingyuan, Du Hongben, and Lu Zixiu.

Governor Fu Xishou delivered a "report on the work of government" amid enthusiastic applause. His report was divided into six parts: A look back at 1992 and the past five years; readjustment of the last three years of the Eighth Five-Year Plan and the Ten-Year Program; the need to work hard to maintain high economic growth rate; the need to speed up economic reform while establishing a market economy; the need to open up wider to the outside world in an all-around manner; and the need to create a sound environment for economic construction, reform, and opening up.

In the first part of his report, he pointed out: In the past year, greatly inspired and guided by Comrade Deng Xiaoping's important talks made during his inspection tour of the south and the guidelines of the 14th CPC National Congress, and under the leadership of the provincial party committee, people of all nationalities across the province have united and implemented the party's basic line with unremitting efforts and boundless enthusiasm. They further emancipated their minds, implemented reform, and opened wider to the outside world with firm determination, bringing about high economic growth and robust development throughout the province. The province's GNP for the year was 70 billion yuan, up 17 percent over the previous year; total industrial and agricultural output was 133.3 billion yuan, an increase of 23 percent. Progress was made in various social undertakings, and a new situation has emerged in the development of the socialist material and spiritual civilizations. We increased the intensity of reform and pushed them to new highs. We have made breakthroughs in opening to the outside world; achieved

high economic growth rates; made new progress in science and technology, education, culture, and public health; and strengthened socialist spiritual civilization.

In the second part of the report, Governor Fu Xishou pointed out: After reappraisal and comparison in the light of the new situation, the provincial government made appropriate readjustments to the province's "Eighth Five-Year" Plan and Ten-Year Program. As a result, the earlier GNP growth target, which was set as "guaranteeing 7 percent but striving for 8 percent," was raised to between 10 and 12 percent or even higher so that by the end of the century, the GNP could reach 160 to 188 billion yuan, more than quintupling (fan liang fan ban 5064 0358 3972 0584) that of 1980; total agricultural output will grow at an annual rate of 3.5 to 4.2 percent; total industrial output, 11.2 to 16.9 percent; and tertiary industry, 17.2 to 20.9 percent. Financial revenues will reach up to between 13.2 billion and 17 billion yuan, registering an average annual growth rate of between 9.7 percent and 12.4 percent. Natural population growth rate will be controlled under 13.67 percent so that the total population will not exceed 65 million. Incomes of both urban residents and farmers will increase markedly; the quality of life will reach a new level, and people will enjoy a richer cultural life. Collectivized services will be basically completed, and people will achieve a relatively comfortable standard of living.

He said: Achieving the readjusted objectives is a grand and arduous historical task. We should implement in an all-around way the guidelines of the 14th CPC National Congress and the eighth (enlarged) meeting of the fifth provincial party committee; emancipate our minds; change our perspectives; rely on ourselves; work hard and perseveringly; accelerate the development of a type of farming that provides good quality, high yields with maximum efficiency; rejuvenate the rural economy in an all-around way; push ahead with industrialization with great intensity; develop an export-oriented economy from a high starting point; bring about fast growth in tertiary industry; carry out high standard construction of basic industry and infrastructure; and promote high standards in science and technology and education.

In the third part of his report, he said: In economic construction this year, we will push ahead with all-round reform in line with the needs of developing a socialist market economy, expand omni-directional opening up to the outside world, enhance agriculture's status as the foundation of the economy, and exercise effective leadership over rural work. We should readjust the industrial structure in accordance with the market to improve efficiency and accelerate development. We should further enliven the circulation of commodities and vigorously develop tertiary industry. We should improve our financial situation by increasing revenues and economizing on spending, open up more sources of funding, and make efficient use of credits. We should bring into fuller play our strengths in science and technology, education, and intellectual resources and make them better serve economic construction. We should strictly

control population growth and continue developing cultural, public health, and sports undertakings.

The fourth part of Governor Fu Xishou's report points out: Practice has shown reform and development depend, to a large extent, on how far we have gone in emancipating our minds. The more emancipated we are ideologically, the more intense our policy of reform and opening up will be, and the faster the economy grows. Ours is a land-locked province close to the sea which has been, relatively speaking, greatly affected by economic planning in terms of ideology, concepts, the way we do business and carry on daily life, and so forth. We must further emancipate our minds, change our attitudes, thoroughly break the bonds of economic planning and conventional thinking, and bring about ideological unity in the province in line with the guidelines of the 14th CPC National Congress. At present, we should grasp the following four tasks in implementing economic reforms: First, speed up the transformation of operating mechanisms and push enterprises into market competition; second, step up the development of a market system and speed up price reform; third, intensify reform of the social security system and speed up the development of a social service structure; and fourth, change government functions and push forward institutional reform.

Fu Xishou said in the fifth part of his report: We must seize the opportunity to open up faster and wider to the outside world. We should pay close attention to the riparian economic belt, with Wuhu as its lead, and to key open areas including Hefei and Huangshan, and bring about a new pattern of opening up—that is, opening up in all domains, at different levels, and through many channels. We should work harder to attract foreign investment, develop more export channels, and increase our foreign exchange earnings through export. We should speed up the development of international tourism with Huang Shan as the focus; and new breakthroughs should be made in the development and opening up of Wuhu and Hefei.

He said in the sixth part of the report: We must persist in the policy of promoting both the material and spiritual civilizations and neglecting neither. We must promote spiritual civilization around the central task of economic construction, promote good social conduct, strengthen democracy and the legal system, and persist in administering according to law. We must thoroughly improve government work style, build a clean and honest government, improve all facets of public security, crack down hard on criminal activities of all descriptions, and develop the ideal of army-government and army-civilian unity. Fu Xishou said in conclusion: The 1990's will be a crucial period for Anhui's modernization program. The heavy historical tasks of developing a socialist market economy and speeding up economic development have fallen on our shoulders. We must—in line with the guidelines of the 14th CPC National Congress and paying close attention to the central task of economic construction—further emancipate our minds, renew our mindset, carry out bold reforms, and dare to

explore new ways. The provincial people's government calls on people of all nationalities throughout the province to unite more closely under the leadership of the Anhui Provincial CPC Committee, hold high the great banner of socialism with Chinese characteristics, and exert themselves in the struggle for bringing about an economic take-off and social development in Anhui.

Also seated on the rostrum were Shi Junjie, Hou Yong, Shao Ming, Chen Tianren, Lu Shengdao, Long Nian, Wang Sheyun, Du Yijin, Wu Changqi, Zhang Runxia, Wang Xiuzhi, Xu Leyi, Wang Zenong, Pan Ezhang, Ma Leting, Teng Maodong, Meng Yiqi, Zhao Huaishou, Li Mingjun, Wang Chengle, and Feng Jianhua.

The session adopted procedures for electing Anhui's people's deputies to the Eighth National People's Congress and a namelist of the chief scrutineer and scrutineers.

Present as observers were members of the provincial people's government, members of the Standing Committee of the Seventh Provincial People's Congress, and all members attending the First Session of the Seventh Anhui Provincial Committee of the Chinese People's Political Consultative Conference. Also present at the session to hear the report were officials of departments directly under the provincial government, mass organizations, and offices of the ministries and institutes of higher learning in Hefei.

Government Work Report Adopted

OW1402223493 Hefei Anhui People's Radio Network in Mandarin 1100 GMT 11 Feb 93

[Resolution adopted at the First Session of the Eighth Anhui Provincial People's Congress in Hefei on 11 February; from the "Provincial Hookup" program]

[Text] After careful deliberations, the First Session of the Eighth Anhui Provincial People's Congress has decided to adopt the report on the work of government delivered by Governor Fu Xishou on behalf of the provincial people's government.

The session holds that the past five years were ones in which we implemented the policy of reform and opening up in an all-around way, made steady progress in economic construction, and achieved abundant fruits in building the socialist spiritual civilization. Particularly in 1992, under the guidance of the important talks given by Comrade Deng Xiaoping when he visited the south and the guidelines of the 14th CPC National Congress, people of all nationalities across the province further emancipated their minds, united as one, and worked hard to unswervingly implement the party's basic line. We increased the intensity of reform, made great strides in opening up to the outside world, achieved high growth rates, and made new progress in socialist spiritual civilization and other social undertakings. Meanwhile, we must be aware of the fact that last year's economic growth was largely an economic recovery from natural

disasters. We must pay adequate attention to the difficulties and problems in our economic work and take solid steps to solve them.

The session holds that in light of the new situation of economic development in the past year, it is necessary to make appropriate readjustments to the economic and social development plans for the last 3 years of the "Eighth Five-Year" Plan and Ten-Year Program. The readjusted goals of economic and social development reflect the guidelines of the 14th CPC National Congress, the common wishes and fundamental interests of the people across the province, and are in accord with the reality in Anhui. The goals are achievable with hard work.

The session points out: Implementing this year's work well is crucial to achievement of the development goals set by the current session. We must implement the guidelines of the 14th CPC National Congress in an all-around manner and develop the economy in a faster and still better way. We must take the market as the guide, develop science and technology as part of the primary productive forces, optimize the economic structure, and improve economic efficiency. We must take full advantage of our bountiful resources, vigorously develop processing industries, and pay close attention to the development of products with high added value and economic returns. We should further strengthen construction of basic industries and basic facilities; speed up development of tertiary industries; promote an organic integration of science, technology, education, and economy; and promote technical progress from a high starting point. We must continue our unswerving efforts to implement the three basic national policies—family planning, rational use of lands, and environmental protection—and bring about simultaneous improvements in all three domains—social, economic, and ecological.

The session stresses: Agriculture is the foundation of the national economy. Stability in the countryside is the foundation of social stability. Governments at all levels must always attach great importance to agriculture and problems in rural areas, continue stabilizing the household responsibility system with remuneration linked to output and the dual management system that combines household with collective operations, and work hard to intensify rural reforms. We must listen to what the peasants have to say, serve them in real earnestness, attend to solving the salient problems about which they complain most, put an end to the tendency of neglecting agriculture, firmly abolish all illegal fines and charges, reduce their burdens and protect their interests, and fully mobilize their initiative. We should take full advantage of such new ideas as the socialist market economy to develop agriculture and the rural economy, readjust the agricultural structure, and, when necessary, bypass conventions to develop village and township enterprises, divert more resources to agriculture, raise the overall agricultural production capacity, step up the development of small towns, speed up the pace of integrating rural and urban areas, and bring about an all-around rejuvenation of the rural economy.

The session stresses: The policy of reform and opening up represents a powerful motive force for economic development. We must further emancipate the mind, change our mindset, and speed up the pace of reform and opening up by focusing closely on establishing and perfecting the socialist market economic structure. While focusing on changing the operating mechanism of enterprises, we should earnestly implement the "Regulations Concerning the Transformation of the Operational Mechanism of State-Owned Industrial Enterprises," actively implement enterprise reform, develop the market system, improve the social security system, speed up the transformation of government functions, and push forward institutional reform. We should try still harder to utilize in a still more efficient way funds at home and abroad, expand trade and exchanges with the outside world, speed up the development of international tourism, and bring about a new pattern of opening up—that is, an up-to-date and externally oriented opening up from a higher starting point and in all domains.

The session calls for promoting both the material and spiritual civilizations at all times. We should promote socialist spiritual civilization; foster patriotism, community spirit, and socialist ideology through extensive education; and strengthen our conviction in building socialism with Chinese characteristics. We should strengthen democracy and the legal system, improve all facets of public security, crack down hard on serious crimes, safeguard public order, and create a fine social environment for reform and economic construction.

The session urged people's governments at all levels and their personnel, leading cadres at various levels in particular, to further emancipate their minds, change their mindset, and firmly bear in mind our fundamental purpose—serving the people wholeheartedly. We should uphold the principle of democratic centralism, persist in administering according to law, be honest in performing official duties, truly improve our workstyle, persist in following the mass line, conduct in-depth investigations and study, have a down-to-earth style of work, do solid work, and discharge our duties with a sense of responsibility.

The session urged people of all nationalities throughout the province to unite more closely under the leadership of the Anhui Provincial CPC Committee, hold high the great banner of socialism with Chinese characteristics, and unite as one and work single-mindedly for the achievement of the second-step strategic objectives.

Resolution on Economic, Social Plans

OW1402162893 Hefei Anhui People's Radio Network in Mandarin 1100 GMT 11 Feb 93

[Resolution adopted by the First Session of the Eighth Anhui Provincial People's Congress in Hefei on 11 February; from the "Provincial Hookup" program]

[Text] After examination and on the basis of the report prepared by the committee formed by the First Session

of the Eighth Anhui Provincial People's Congress to examine the national economic and social development plan and budgets, the first session of the Eighth Anhui Provincial People's Congress has decided to approve Anhui's 1993 National Economic and Social Development Plan, and the report prepared by Wang Yang, director of the Provincial Planning Commission, on the execution of Anhui's 1992 National Economic and Social Development Plan and the draft 1993 plan.

The session urges people's governments at all levels to fully implement the guidelines laid down by the 14th party congress; continue to emancipate their minds, deepen reform, open wider to the outside world; give full scope to the roles played by market mechanisms; firmly strengthen and improve macroscopic regulation and control; actively restructure the economic system so that it can give play to its strengths and perform more efficiently; and work hard to fulfill or overfulfill the targets set for 1993 so Anhui's national economic and social projects can develop quickly and satisfactorily.

1992, 1993 Budget Resolution Approved

OW1402162393 Hefei Anhui People's Radio Network in Mandarin 1100 GMT 11 Feb 93

[Resolution adopted by the First Session of the Eighth Anhui Provincial People's Congress in Hefei on 11 February; from the "Provincial Hookup" program]

[Text] After examination and on the basis of the report submitted by the committee formed by the First Session of the Eighth Anhui Provincial People's Congress to examine the national economic and social development plan and budgets, the First Session of the Eighth Anhui Provincial People's Congress has decided to approve:

—The 1993 budget submitted by the provincial people's government; and

—the report presented by Yang Lianzhu, director of the provincial financial department, on the execution of Anhui's 1992 budget and the draft 1993 budget.

The session has authorized the provincial people's congress Standing Committee to examine and approve Anhui's 1992 final accounts.

The session urges people's governments at all levels in Anhui to adhere firmly to the party's basic line, accelerate Anhui's economic growth, deepen fiscal and tax reforms, explore more financial resources and conserve expenditure, strictly follow all financial regulations and rules, and work hard to accomplish the 1993 budget and expedite the development of Anhui's economic construction and social services.

Standing Committee Work Report Adopted

OW1402164393 Hefei Anhui People's Radio Network in Mandarin 1100 GMT 11 Feb 93

[Resolution adopted by the First Session of the Eighth Anhui Provincial People's Congress in Hefei on 11 February; from the "Provincial Hookup" program]

[Text] The First Session of the Eighth Anhui Provincial People's Congress heard and examined the work report Vice Chairman Zheng Rui gave on behalf of the Seventh Anhui Provincial People's Congress Standing Committee.

The session maintains: Over the past five years, the provincial people's congress Standing Committee has firmly adhered to the party's basic line characterized by one center and two basic points, and it has upheld and improved the people's congress system; and, focusing on economic construction, it has achieved conspicuous successes in carrying out its constitutional and legal duties and powers; in actively promoting reform, opening up, and economic construction; and in strengthening the socialist democratic and legal systems. By doing so it has demonstrated its important role in Anhui's political, economic, and social lives.

The session is satisfied with the work accomplished by the seventh provincial people's congress Standing Committee and approves its report.

The session hopes that the eighth provincial people's congress Standing Committee will earnestly implement the important talks Comrade Deng Xiaoping made during his inspection tour in southern China and the guidelines laid down by the 14th party congress; firmly follow the guidance provided by the theory on building socialism with Chinese characteristics as well as the party's basic line; consider it its first and foremost duty to ensure and promote reform, opening up, and economic construction; and actively perform its duties within its constitutional and legal authority.

The pace of local legislation should be quickened. The legislation of local regulations—those about ensuring reform and opening up, intensifying macroscopic economic management, standardizing microscopic economic activities, and reducing peasants' burdens—must be especially intensified. Continual efforts must be made to intensify supervision over the conduct of administrative, adjudicative, and procuratorial organs in performing their duties according to law. Energetic efforts must be made to publicize laws to make sure the constitution and other laws and regulations are properly implemented. Major provincial projects must be discussed and decided upon in time according to law so as to promote the development of socialist modernization. The operation concerning personnel appointments and dismissals must be further improved so that stronger local governments can be established. Operations concerning people's deputies should be intensified and improved so that people's deputies can establish closer ties with the masses and can give fuller scope to their roles in reform, opening up, and

economic construction. Standing committees must make constant efforts to improve themselves. They must seek truth from facts and attach importance to investigation and study so they can demonstrate more effectively their roles as the state's local power organs and make new and greater contributions in accelerating Anhui's economic and social development.

Session Closes After Electing Leaders

OW1402123693 Hefei Anhui People's Radio Network in Mandarin 1100 GMT 11 Feb 93

[From the "Provincial Hookup" program]

[Text] After accomplishing all the discussion topics on its agenda, the first session of the Eighth Anhui Provincial People's Congress closed victoriously amidst the august strains of the national anthem this afternoon.

The meeting, which lasted 13 days, proceeded under an atmosphere of solidarity, militancy, democracy, and truth-seeking. During the fifth and sixth meetings, held respectively on 9 and 11 February, the deputies elected, by secret ballot, Meng Fulin as chairman of the Eighth Anhui Provincial People's Congress Standing Committee, and elected Lu Shengdao, Liu Guangcai, Jiang Zehui, Wu Changqi, Lu Zixiu, Chen Qiyu, and Shao Ming [in the order of the number of strokes in their surnames] as vice chairmen; Lu Desheng as secretary general; and Gong Yutian and 50 others as Standing Committee members.

The meeting also elected Fu Xishou as governor of the provincial people's government, and elected Wang Xiuzhi, Wang Zhaoyao, Du Yijin, Yang Duoliang, Wang Yang, and Zhang Runxia [in the order of the number of strokes in their surnames] as deputy governors.

The meeting also elected Han Yunping as president of the Anhui Provincial Higher People's Court, and Liu Sheng as chief procurator of the Anhui Provincial People's Procuratorate.

The closing ceremony took place at the Anhui Theater this afternoon. Meng Fulin, executive chairman of the meeting, chaired the ceremony. By show of hands, the meeting adopted the following resolutions:

- The resolution on the work report submitted by the provincial people's government;
- the resolution on the execution of Anhui's 1992 national economic and social development plan, and the 1993 national economic and social development plan;
- the resolution on the execution of Anhui's 1992 budget, and the 1993 budget;
- the resolution on the work report submitted by the Anhui Provincial People's Congress Standing Committee;
- the resolution on the work report submitted by the Anhui Provincial Higher People's Court; and

—the resolution on the work report submitted by the Anhui Provincial People's Procuratorate.

The session pointed out: The present situation, with opportunities and challenges, is both gratifying and pressing. We must have a clearer idea of the situation, take powerful measures, and act positively and properly in implementing all the guidelines laid down by the 14th party congress and the Eighth Enlarged Plenary Session of the Fifth Anhui Provincial Party Committee. On the basis of the general policies and the assignments set by the session, we must unite together and march forward firmly and courageously to carry out all assignments.

The session said: All deputies, after returning to their respective posts, should actively propagate the session's guidelines, take the lead in implementing all resolutions adopted by the session, and rally and lead people of all nationalities in Anhui to work hard together. Deputies must work earnestly in order to establish their credibility among the people; act confidently in carrying out the missions of the time entrusted to them by the party and the people; and make new and even greater contributions in consolidating and developing the gratifying situation, in pushing Anhui's economic development to a new stage more quickly and successfully, and in achieving the objective of leading a comparatively comfortable life.

Other executive chairmen of this afternoon's session were Lu Rongjin, Wang Guangyu, Yang Yongliang, Wang Taihua, Zheng Rui, Liu Guangcai, Wang Shengjun, Chen Guanglin, Fang Zhaoxiang, Shen Shanwen, Ying Yiquan, Kang Zhijie, Du Weiyou, Chen Tingyuan, Du Hongben, and Liu Zixiu.

Others seated at the rostrum this afternoon were Fu Xishou, Shi Junjie, and Hou Yong; the newly elected vice chairmen of the provincial people's congress Standing Committee, vice governors of the provincial people's government, vice chairmen of the Anhui Provincial Committee of the Chinese People's Political Consultative Conference, president of the provincial higher people's court, and chief procurator of the provincial people's procuratorate; former president of the provincial higher people's court and former chief procurator of the provincial people's procuratorate; and other members of the rostrum.

Present at the session as non-voting observers were other personnel of the provincial people's government, and members of the Seventh Anhui Provincial People's Congress Standing Committee.

Lu Rongjing, Fu Xishou at Foreign Affairs Conference

OW1302122993 Hefei ANHUI RIBAO in Chinese 28 Jan 93 p 1

["Conference of Directors of Prefectural and City Foreign Affairs Offices Stresses Acceleration of Opening to the Outside World and Service to Economic Construction"]

[Text] A conference with the participation of directors from prefectural and city foreign affairs offices around the province was held in Hefei from 15 to 17 January. The conference set the tasks for this year's work in foreign affairs: Continue to conscientiously translate Comrade Deng Xiaoping's comments made during his south China tour into concrete action; implement the guidelines of the 14th CPC Congress and the Eighth Plenary (Enlarged) Session of the Fifth Anhui Provincial Party Committee; offer better service to Anhui's political, economic, and social development; and actively promote external exchanges in various areas to bring Anhui's work in foreign affairs to a new height. The conference asked foreign affairs departments and cadres at various levels in the province to further emancipate their minds; keep forging ahead; serve Anhui's reform, opening up, and economic construction; and make an all-out effort to promote Anhui's opening up to all directions at various levels and through various channels.

Provincial party secretary Lu Rongjing, Governor Fu Xishou, and Vice Governor Wu Changqi attended and addressed the conference. They stressed: party committees and governments at various levels should strengthen the leadership in the work of foreign affairs and make it an important item on their agenda. They should further strengthen the foreign affairs forces and constantly improve the political and professional quality of foreign affairs cadres to meet the needs for reform and opening up. They hoped that foreign affairs departments will do practical work and constantly accomplish new achievements in Anhui's reform, opening up, and economic construction.

Central-South Region

Guangxi Pushing Reform Despite 'Overheating'

HK1602011693 Hong Kong SOUTH CHINA MORNING POST in English 16 Feb 93 p 12

[Article by Daniel Kwan]

[Text] A radical provincial chief has challenged central-level edicts by saying his region should pursue a fast-paced development policy in spite of the overheating national economy.

Mr Lei Yu, vice-governor of Guangxi, said the local economy was not overheated and that it must pursue a growth rate above the national average.

"The problem of overheating does not exist in Guangxi," Mr Lei said yesterday at a foreign trade promotions function in Hong Kong.

"In the Eighth Five-Year Plan period (1991-95), our economy will grow at annual average of 11 percent and I am confident that our 1993 growth rate will be above that."

In defending his province's fast-track development, Mr Lei, nick-named a "cowboy capitalist" said Guangxi had the "rock-solid" support of economic czar Vice-Premier Mr Zhu Rongji.

During a recent visit Mr Zhu urged Guangxi to speed up its economic construction, according to Mr Lei.

As a result, Mr Lei said Guangxi was prepared to go full-steam ahead to rejuvenate its economy by committing billions of yuan of capital into its infrastructure, including the construction of five new airports, 14 highways, five power plants and five major ports.

Mr Lei stressed that the infrastructure upgrade was of paramount importance as the central government was committed to turning the province into China's passage to the Southeast Asian market.

And the vice-governor even quoted Mr Zhu as saying that the central government should offer more support to Guangxi so that it would be able to realise the target. At present, Guangxi receives an annual subsidy of 670 million yuan (HK\$897.13 million) from Beijing.

Mr Lei yesterday also openly praised Mr Zhu for his "vigour and resolve" saying soon after Mr Zhu's visit, Beijing had responded and approved the resolutions of several railways and air transport problems confronting the province.

While Mr Lei blamed Guangxi's past sluggish economy on a constant state of hostility between China and Vietnam in the past 20 years and a lack of investment on infrastructure, he admitted that the reformist dictum given by patriarch Mr Deng Xiaoping last year was the prime driving force.

"We can't isolate Guangxi from what's going on in the rest of the country, it is related to the big climate," said Mr Lei in a reference to the ongoing economic flourish along China's coast.

But the vice-governor who was transferred to Guangxi last April after serving a four-year term as vice-mayor of Guangzhou however did not take credit for the economic success his province witnessed last year.

"Last year, our GNP jumped 14.5 percent.... But that doesn't mean I am responsible for all this. Of course, I have my share of contribution," he said.

Guangxi Chairman Address Economic Reform Meeting

HK1402053093 Nanning Guangxi People's Radio Network in Mandarin 1130 GMT 5 Feb 93

[Text] A regional meeting on economic, financial, and structural reform ended yesterday. The meeting relayed the spirit of the national economic work, financial work, and structural work meetings, summed up our region's

work in these three respects last year, and made arrangements for the tasks this year. During the meeting, autonomous regional Vice Chairman Yuan Zhengzhong made a report. The regional economic commission, regional financial department, regional tax revenue department, and regional Commission for Restructuring the Economy held their own specialized meetings. Regional CPC Secretary Zhao Fulin listened to reports presented by responsible comrades from various cities and prefectures, and made important speeches.

At the end of the meeting, autonomous regional Chairman Cheng Kejie spoke on several issues concerning how to do this year's economic work well, and how to fulfill or overfulfill various plans and targets examined, discussed, and approved by the first session of the eighth autonomous regional People's Congress:

1. With regard to the present economic situation in our region, Chairman Cheng Kejie said: Last year, the economic situation in our region was truly favorable. In the whole region, our economy developed, our society was stable, and our nationalities united as one. As far as our economy was concerned, it grew at a high speed which was rarely seen in recent years. Our GNP, industrial production output value, and agricultural production output value were respectively 14.8, 26, and 10.9 percent higher than 1991. Guangxi's economic development has been normal and healthy.

2. With regard to agricultural production, Chairman Cheng Kejie said: In our economic work this year, we must persist in giving first priority to agriculture. Recently central leading comrades have repeatedly stressed this issue. As far as our region is concerned, strengthening agriculture, our foundation, is a matter of special significance. In our region's GNP, agriculture has accounted for more than 40 percent. Besides, 87 percent of our population is in rural areas. We must give play to these strong points and enhance our capability to resist natural calamities. Our autonomous regional authorities will soon hold meetings on this year's agricultural and rural work to make comprehensive arrangements.

3. With regard to industrial production, Chairman Cheng Kejie pointed out: According to our plan, this year's industrial production will increase by 15 percent. In the meantime, our industrial efficiency must also grow in step with it. The whole region must strive to overfulfill our industrial plan. Leaders at all levels must strengthen macroscopic guidance, do well in providing services, go deep into reality, and conduct investigations and studies to help enterprises solve key problems. All enterprises must strengthen management, and increase efficiency. They must do strenuous and painstaking work in face of general increases in prices of raw and processed materials, railway freight, electricity charges, and production costs. At present, we must, first of all, grasp production and marketing of cane sugar well, because it is a key item in our regional economy.

4. With regard to the development of transportation, Chairman Cheng Kejie stressed: While Vice Premier Zhu Rongji was making an inspection tour in Guangxi, he pointed out that communications and transportation is a key link which will bring along economic development of the entire Guangxi region. He has called on us to concentrate our efforts, and make up our mind to grasp the development of transportation well. For this reason, governments and relevant departments at all levels must vigorously support, work in close cooperation on, and exert concerted efforts to do transportation projects well. Construction projects of railways, highways, inland water transport, ports, wharfs, and civil airports must be stepped up.

5. With regard to financial and tax revenue work, Chairman Cheng Kejie emphasized: In recent years, financial incomes in our region have increased year after year. However, we are still facing financial difficulties. Making money and accumulating funds must be regarded as our first priority task. It is necessary to divert the use of human resources from financial resources and reduce expenditures. It is necessary to do well the work of collecting and administering taxes. It is necessary to do financial work well at the district level.

6. With regard to the reform of the grain circulation system, Chairman Cheng Kejie said: After lifting controls over grain prices, it is necessary to strengthen macroscopic regulation and control. Financial departments at all levels and banks must continue to support grain production and circulation. It is necessary to establish and improve the system for storing up grain at different levels. Governments at all levels must establish grain risk funds, and grain departments must transform their operational mechanisms to continue to play their role as main channel for storing up and supplying grain.

7. With regard to economic structural reform, Chairman Cheng Kejie pointed out: It is necessary to speed up the transformation of enterprises' operational mechanisms. The central task of economic structural reform this year is: We must grasp well the enforcement of rules and regulations promulgated by the State Council and implementation of procedures formulated by our autonomous region aimed at enforcing rules and regulations. It is necessary to speed up market development and price reform. It is necessary to speed up reform of the investment system, and establish diversified investment mechanisms. It is also necessary to accelerate housing reform in cities and towns.

Illegal Emigration Case Uncovered in Guangxi

HK1402071193 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1400 GMT 13 Feb 93

[Report: "Guangxi Uncovers Major Illegal Emigration Case"]

[Text] Nanning, 13 Feb (ZHONGGUO TONGXUN SHE)—Guangxi has uncovered a major illegal emigration case the other day where it arrested 69 persons

fleeing out of the territory. This is the biggest illegal emigration case uncovered in Guangxi in recent years.

According to reports by officials of Guangxi's armed border police force, police officers of the Beihai border detachment uncovered an attempt to emigrate illegally to Australia in Qiaogang town, which is in the suburbs of Beihai City. The people trying to leave the territory come from counties and cities like Nanning, Beihai, Bobai, Chongzuo, Liuzhou, Guiping, and Longan.

The reports said that under the direction of a snakehead, these people purchased the 130,000 renminbi shipping boat Beihai, number 00020, with each person paying 1,300 to 4,000 yuan renmibi.

The boat, equipped with satellite navigation equipment and more than 1,000 kg of rice, attempted to sail away at night under the cover of darkness. Police officers of the Beihai border detachment immediately detained the boat after detecting it moving suspiciously.

The snakehead in charge of the smuggling operation is presently being held for questioning by the relevant department, while the case is also under investigation.

It was reported that illegal emigration cases have risen in Guangxi in recent years, and that the Guangxi border armed police force will take steps to crack down on such cases according to the law.

Hainan Secretary Urges Overseas Publicity Drive

HK1202152393 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 8 Feb 93

[Text] A few days ago, Ruan Chongwu, provincial CPC secretary and provincial governor, and (Liu Xuebin), Standing Committee member of the provincial CPC committee and head of the provincial propaganda department, met with Beijing Radio Director Cui Yuling and his party at the provincial government office building. During the meeting, director Cui Yuling said: Hainan is a good place. We must make the best use of the advantage of Beijing Radio, which broadcasts around the world in 43 languages, and introduce the outside world to Hainan in a comprehensive and systematic way. Comrade Ruan Chongwu welcomed this very much, saying: Hainan has many advantages and has great potential for development. It is very difficult to find such a fine land anywhere in the world. The world still does not have a good understanding of Hainan, however, and it is very important to strengthen publicity about Hainan in the outside world. He called on the province's foreign propaganda departments to closely coordinate and promptly introduce the outside world to Hainan's advantages, such as its tourist resources, its development and construction situation, and its preferential policies so as to attract more foreign people to travel to and invest in Hainan. Ruan Chongwu said: Hainan is a native home to many Overseas Chinese. Over two million overseas compatriots and foreign citizens of Chinese origin live in over 50 countries and regions. Of these

people, many are astute entrepreneurs and personalities in political circles. They are not only successful in their careers but also care very much about their country's construction and development. We must promptly pass on to them information about the country and welcome them to participate in the country's construction.

Hainan Vice Governor on Foreign Affairs Work

*HK1202150093 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 8 Feb 93*

[Text] The second provincial foreign affairs work conference opened in Haikou yesterday [8 February]. Provincial Vice Governor Mao Zhijun and relevant persons in charge of the province's various cities and counties, commissions, offices, departments, bureaus, and foreign-related units attended the conference. International Liaison Department chief Zhu Liang and (Yang Chengxu), director of the political research department of the Ministry of Foreign Affairs, came specifically to participate in the conference. Yesterday's conference listened to the persons in charge of the provincial foreign affairs office as they relayed the spirit of the fifth national meeting of foreign affairs office directors, the report on the province's foreign affairs work over the past three years, and reports on the international situation given by Zhu Liang and (Yang Chengxu). The conference, which will continue for three days, will primarily sum up the achievements, experiences, and lessons in foreign affairs work for the past three years since the province's first foreign affairs work conference; study and discuss the province's further facilitation of the rapid processing of entry and departure formalities for personnel entering and departing from China and related regulations; further define the role of foreign affairs work in serving economic construction and in paving the way for and guiding reform and opening up under the new historical conditions; study and prepare the province's current foreign affairs work; and advance current foreign affairs work to a new height.

In his opening speech, provincial Vice Governor Mao Zhijun said: The first session of the first provincial people's congress put forth the slogan, Learn From Guangdong and Catch Up With Guangdong. This is a new objective of Hainan's struggle. Taking economic construction as the center and quickening the pace of reform and opening up and modernization will be the central task for all our jobs in the future. He expressed the hope that foreign affairs departments and foreign affairs workers would come to a consensus on this point through the conference. He demanded that economic concepts be strengthened for foreign affairs work in order to pave the way for and guide reform and opening up and to build a bridge and remove difficulties for economic development so it can serve economic construction more actively and rely more on its own initiative.

Further Remarks Noted

*HK1602112393 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 10 Feb 93*

[Text] The second provincial foreign affairs work conference, called by the provincial government, ended in Haikou yesterday [10 February]. At the conference, provincial Vice Governor Mao Zhijun stressed: Foreign affairs work must pave the way and build the bridge for economic construction and must serve opening up to the outside world. Mao Zhijun said: Although Hainan has made remarkable achievements over the past five years since it was made a province and special economic region, the full advantage of its opening up to the outside world has not been adequately utilized.

The essential contradictions in Hainan's development and construction at the present time are its high objectives, heavy tasks, low starting point, and poor foundation. The only way out, therefore, is to open to the outside world more widely and more quickly; to use opening up to bring into play the overall advantages of natural resources, location, and policies; to attract considerable foreign investment; and to quicken the pace of Hainan's development and construction. In this sense, further opening to the outside world is an important element of our current work. Our reform must also proceed in a way which is conducive to opening to the outside world. All our jobs, especially foreign affairs work, must serve opening to the outside world.

In his speech, Mao Zhijun called on foreign affairs departments to emancipate the mind, change concepts, improve work, improve work efficiency, give advice, bring into play their role as assistants, strengthen service functions, put specific foreign-affairs jobs under special departments, attach importance to giving publicity to the outside world, and pay attention to fostering Hainan's good image. He also called on leading organizations at all levels to attach importance to and support foreign affairs work, prepare the necessary personnel and means to care for and foster foreign affairs cadres, and build up a solid contingent of foreign affairs workers, creating a fine external environment for the launching of foreign affairs work.

Henan Reports Rise in Credit, Loans in 1992

*HK1302014693 Zhengzhou Henan People's Radio
Network in Mandarin 2300 GMT 7 Feb 93*

[Text] As of the end of 1992, financial institutions in the province have issued a total of 112.67 billion yuan in loans—18.08 billion yuan more than that at the end of 1991—providing a vast amount of capital for the province's economic development. The year 1992 was the third year in which all kinds of loans by the province's financial institutions rose dramatically. The total amount of loans by the province's financial institutions broke the 10 billion yuan mark at the end of 1978, the 50 billion yuan mark at the end of 1989, and the 100 billion yuan mark at the end of 1992. The province's financial

industry underwent substantial growth in the course of reform, opening up, and economic development, while the capital that it provided for the province's economic construction also grew rapidly.

In order to ensure a fairly dramatic rise in indirectly raised funds by financial institutions simultaneous with an increase in directly raised funds, our province carried out the following: 1) Set up more financial institutions designed to serve depositors and borrowers. Following approval by the People's Bank, some 370 new retail banking institutions were established around the province in 1992, while 251 non-banking institutions were set up. 2) Improved service and endeavored to do a good job related to deposit-taking in order to ensure a steady growth of the sources of credit capital. By the end of 1992, the balance of all kinds of deposits in the province's financial institutions reached 93.67 billion yuan, an increase of 18.27 billion yuan or 24.2 percent over that at the end of 1991. 3) The People's Bank issued credits to all institutions supporting agriculture based on practical conditions, offering capital guarantees to all such institutions which issued credits to economic organizations. By the end of 1992, the province's people's banks had increased their long- and short-term loans to institutions supporting agriculture by 5.44 billion yuan, with short-term loans increasing by 3.995 billion yuan, or 31.69 percent.

While the total amount of credits rose in 1992, the credit structure was also modified and improved. Loans for fixed asset investment in the province rose by 36.9 percent. For foreign currency credits it rose by 31 percent. In the newly added category of loans for circulating funds of industrial enterprises, loans to large and medium backbone enterprises accounted for more than 80 percent.

North Region

Daily on New Beijing Mayor, Congress Chairman
HK1002060693 Beijing RENMIN RIBAO in Chinese
6 Feb 93 p 1

[Dispatch by reporter Yan Shigui (7346 0013 6311): "Li Qiyuan Elected as Beijing Mayor, Zhang Jianmin as Chairman of the Beijing Municipal People's Congress Standing Committee"]

[Text] Beijing, 5 Feb (RENMIN RIBAO)—During the First Session of the 10th Beijing Municipal People's Congress, which closed today, Li Qiyuan was elected mayor; Zhang Baifa, Wang Baosen, Lu Yucheng, He Luli, Li Runwu, Hu Zhaoguang, Meng Xuenong, and Duan Qiang were elected vice mayors; Zhang Jianmin was elected chairman of the Standing Committee of the Municipal People's Congress; and Meng Zhiyuan [1322 1807 0337], Tie Ying [6993 5391], Xia Qinlin, Tao Dayong, Hao Yichun [6787 6095 4783], Mei Xiangming [2734 0686 2494], Tao Xiping [7118 6007 1627], and Xu Bingzhong [1776 3521 1813] were elected vice chairmen.

Beijing's Chen Xitong Urges Modern Management

OW1302130193 Beijing XINHUA Domestic Service in Chinese 1118 GMT 10 Feb 93

[By ZHONGGUO XIAOFEIZHE BAO (CHINA CONSUMER NEWS 0022 0948 3194 6316 5074 1032) reporter Li Hui (2621 6540)]

[Text] Beijing, 10 Feb (XINHUA)—Commenting on market operations and management at the opening of the 10th Beijing Municipal People's Congress on 29 January, Chen Xitong, secretary of the Beijing municipal party committee, specifically pointed out: Modernized markets should adopt modernized monitoring and managerial methods. Unpleasant incidents in which body searches are made, without sufficient evidence, on customers suspected of shoplifting should be avoided in the future.

It has been learned that the Beijing municipal government's relevant departments have been seriously concerned with the ZHONGGUO XIAOFEIZHE BAO reports on a shop notice issued by the Huikang Supermarket in the National Trade Center, and on an incident involving a boutique at the Xingcheng Fast Food Restaurant in the Huawei Building. While recently inspecting a large emporium in Beijing, Chen Xitong stated a similar view. In the aforesaid speech, he also gave examples of what he had seen abroad, and suggested that commercial enterprises update their equipment and install advanced electronic monitoring systems as soon as possible so as to make market management more civilized and efficient.

Foreign Investment in Beijing Real Estate Sought

OW1302005693 Beijing Central People's Radio in Mandarin to Taiwan 2200 GMT 3 Feb 93

[From the "News and Current Events" program]

[Text] During a recent interview, (Lin Feng), head of the Beijing Municipal Office of Urban Construction and Comprehensive Development—the department in charge of the real estate sector in Beijing Municipality—said: This year, Beijing will actively develop the real estate industry. Investment from any place is welcome as long as the project in question helps Beijing carry out urban construction and development, improve the living standards of its residents, and achieve economic prosperity. Business people from Taiwan and foreign countries are especially welcome to invest in Beijing's real estate market. Beijing guarantees investors satisfaction.

(Lin Feng) stated: Beijing currently welcomes investment in four areas of the real estate sector: 1) The development and construction of the (Shangdi) Information Base and three high technology zones in Fengtai. 2) The construction of highways, bridges, and other municipal infrastructure projects. 3) The reconstruction of hazardous and dilapidated buildings in the city proper.

4) The construction of apartment buildings, modern shopping centers, and other public facilities. Through joint or cooperative ventures, investors can launch projects in conjunction with 38 companies in Beijing that are currently licensed to develop all kinds of real estate. They should provide funds on a timely basis. In principle, we should keep our foreign exchange reserves in balance.

(Lin Feng) added: Although Beijing's real estate industry is still in its infancy, it has strong potential and bright prospects for development. Beijing is our country's capital city, political and cultural center, and important industrial and commercial city; its urban planning is more scientific than other developed cities, and its municipal infrastructure is more complete. Last November, the Beijing Municipal Government sent a delegation to Hong Kong to seek investment. In a matter of 10 days, the delegation signed 67 investment contracts totaling \$5.3 billion with overseas investors in Hong Kong. Of these, 24 contracts totaling \$2 billion were related to real estate. This fully demonstrates the keen interest among Taiwan and foreign investors in Beijing's real estate.

Beijing Municipality will actively and steadily steer the burgeoning real estate sector toward a sound pattern of development.

Tianjin's Ye Disheng Interviewed on Opening Up
OW1002132593 Beijing XINHUA in English 1308 GMT 10 Feb 93

[Text] Tianjin, February 10 (XINHUA)—The north China port city of Tianjin is preparing for a major breakthrough in its drive to open to the outside world.

Vice Mayor Ye Disheng told XINHUA recently that the city plans to take in 1.2 billion U.S. dollars of foreign investment this year and the annual influx of foreign investment in the coming years will not be less than one billion yuan.

The total output value of foreign-funded enterprises in operation should reach ten billion yuan (about 1.75 billion U.S. dollars) this year. Their pre-tax profits should reach ten billion yuan, which will make up two-thirds of the total made by the enterprises under the city budget.

The city, the vice mayor said, will expand the areas for attracting foreign investment, especially in infrastructural facilities, transport, telecommunications, electric power, finance and real estate, such as an expressway linking the urban areas of Tianjin with the Tanggu District, a power station in Tanggu and an international airline.

The city will also further promote the Tianjin Economic and Technological Development Zone, the Tianjin Port Free Trade Zone and the Tianjin New and High Technology Development Zone, the vice mayor said.

The city will also use foreign funds to develop some 20 tourist attractions this year.

To make Tianjin an international financial, commercial and trade center in north China, Ye said, the city welcomes foreign firms and domestic enterprises to open their offices in the city.

On the other hand, the municipal government encourages its enterprises to start operations abroad. More than 100 ventures set up by the city's enterprises will be approved by the city this year.

Foreign Investment in Tianjin Enterprises Increasing

OW1102142793 Beijing XINHUA Domestic Service in Chinese 2132 GMT 8 Feb 93

[By correspondent Jie Suo (2212 6956) and reporter Cao Jian (2580 0256)]

[Text] Tianjin, 9 Feb (XINHUA)—Foreign-funded enterprises in Tianjin Municipality are heading in the direction of relatively heavy investment and high technology. This reporter has learned from the Tianjin Municipal Customs Office that, in January of this year alone, 111 foreign-funded enterprises have registered with it, representing a 5.3 increase over the corresponding period last year. With relatively heavy investment, most of these enterprises involved themselves in the production of high and new technological products.

According to statistics, the import and export value of foreign-funded enterprises in Tianjin Municipality last year amounted to \$740 million, accounting for 26.5 percent of the municipality's total and a 59 percent growth over the previous year. For January of this year, their import and export value comprised one-third of the municipality's total.

According to the Tianjin Municipal Customs Office, foreign-funded investment has currently shifted from labor-intensive categories to technology-intensive categories. Of the total applications processed and approved by Tianjin Municipality's Economic and Technical Development Zone last year, 20 percent were investment projects for new products involving high and new technology, including computer, microelectronics, telecommunications, integrated machinery and electronics products, precision chemical engineering, and biological products. In the meantime, exported commodities have also been upgraded. The export value of such leading high and new technological products as containers, principal tape recorder components, auto accessories, microcomputers, and data processors in 1992 was 58 percent higher than that of 1991.

The size of foreign-funded enterprises has grown with sharp increases in foreign equity participation. For newly incorporated foreign-funded enterprises in the Tianjin Economic and Technical Development Zone alone, foreign businessmen have contributed one-third

of the total investment, showing an average investment of almost \$2 million per project, with 14 others investing more than \$10 million each.

Foreign-funded enterprises in Tianjin Municipality have also expanded their activities to other new areas, including commerce, service industry, and real estate development, which are expanding relatively quickly. A total of 587 enterprises in these categories were approved last year, with foreign businessmen investing \$516 million or 68 percent of the total.

Tianjin Foreign Firms' Taxes Increase in 1992

SK1302041093 *Tianjin People's Radio in Mandarin*
1000 GMT 11 Feb 93

[Summary] Last year, the profits and taxes handed over to the higher levels by the enterprises involving foreign investment in the municipality surpassed 1.45 billion yuan, accounting for 50 percent of the profits and taxes handed over by the budgetary industrial enterprises in the municipality. This caused the municipality to rank first in China.

As shown by a survey of the major economic targets of nearly 700 foreign-invested enterprises with management activities in the municipality, last year, the total output value of these enterprises reached 6.448 billion yuan, an increase of 106.7 percent over 1991; their profits reached 864 million yuan; the taxes handed over to the state reached 456 million yuan, an increase of 119.2 percent; the foreign exchange earnings from exports reached \$210 million; the per capita labor productivity reached 87,900 yuan; and the per capita profit and tax rate reached 15,400 yuan.

Tianjin Economic, Technical Zone Output Increases

HK1102042093 *Beijing CEI Database in English*
10 Feb 93

[Text] Tianjin (CEIS)—The Tianjin economic and technological development zone in North China approved the setting up of 75 foreign-funded enterprises with contractual investments totalling over 100 million U.S. Dollars in January, and used over 50 million dollars of direct foreign investment.

According to Li Yong, Deputy Director of the Development Zone Management Committee, the industrial output of the zone in January totalled 335.29 million yuan, up 90 percent compared with the same month of 1992. The foreign-funded firms in the zone achieved 304.39 million yuan in industrial output, up 91 percent from the same 1992 month, 83.21 million yuan of pre-tax profits, up 115 percent, and 15.29 million dollars in exports, up 97 percent.

In January, investors from the United States, Japan, The Republic of Korea, Singapore, Taiwan and Hong Kong

set up firms in the fields of machine-building, electronics, light and textile industries, foodstuffs, building materials and services.

By the end of January, the zone had approved the setting up of 875 foreign-funded enterprises, involving a total investment of 1.4 billion dollars. Overseas investors came from 37 countries and regions.

The overseas investors are encouraged to invest in the fields of electronics, machinery, commerce, finance and real estate, Li added.

Tianjin Plans New Financial Reform Measures

OW1402045193 *Beijing XINHUA in English* 0317
GMT 14 Feb 93

[Text] Tianjin, February 14 (XINHUA)—Coastal Tianjin city is to take new measures to press ahead with financial reform this year.

Loans will be offered to enterprises with marketable quality products and good profits.

The city will also establish more multifunctional financial organs and allow in more foreign-funded financial organs.

Efforts are being made to develop a standardized financial market to make the city northern China's financial center.

In addition, the city is preparing to establish a fund-raising company and a securities company with the participation of various financial organs in the city.

Foreign currency bonds are expected to be issued in Tianjin later this year.

Tianjin made a breakthrough in financial market promotion last year. Savings deposits in the city's banks reached a record 46.78 billion yuan. The city increased the provision of loans by 12.23 billion yuan.

Negotiable bills valued at 4.18 billion yuan were issued last year, nearly three times the number issued in 1991.

Tianjin has set up a securities exchange center with more than 100 members with about 3.09 billion of securities transacted.

The city's foreign currency competitive exchange market was quite brisk with a volume of 878 million u.s.dollars last year.

Local financial organizations now total 1,265, including two foreign banks.

Tianjin Holds Urban Construction Work Conference

SK1202131993 Tianjin People's Radio in Mandarin
2300 GMT 11 Feb 93

[Text] At the municipal urban construction work conference held on 11 February, Zhang Lichang, leader of the municipality, stressed: The urban construction departments should continuously carry forward the fine traditions, consolidate and develop the fine trend, further speed up the construction of urban infrastructural facilities, and create new achievements.

After fully affirming the achievements in urban construction made in 1992, Zhang Lichang pointed out: The construction of urban infrastructural facilities is the basic condition for urban development. To promote the elevation of the economy to a new high in a faster and better manner, we should expand the scale of opening to the outside world. To ceaselessly improve the people's living conditions, we must maintain and develop the fine trend of urban construction. We should further speed up the construction of urban infrastructural facilities.

Zhang Lichang urged: The cadres and staff and members on the urban construction front should adapt themselves to the new situation in developing the socialist market, further emancipate the mind, widen the field of vision, and strive to explore ways for ensuring a favorable cycle from input to output in the sphere of urban construction.

Zhang Lichang stressed: We should firmly remember the purpose of serving the people wholeheartedly, conscientiously listen to the people's complaints, experience and observe the people's [words indistinct], and make concerted efforts to achieve the things closely related to the people's livelihood. We should further change our functions, delegate rights to lower levels, try every possible means to reduce work procedures and links, improve work efficiency, and better serve enterprises and the economic construction.

Former Tianjin Advisory Commission Chairman Dies

SK1002042093 Tianjin People's Radio in Mandarin
2300 GMT 9 Feb 93

[Excerpts] The remains of Comrade Zhang Huaisan, outstanding member of the CPC, loyal Communist fighter, long-tested leading cadre of the CPC, and former chairman of the Tianjin Municipal Advisory Commission, were cremated on the afternoon of 9 February. [passage omitted]

At 1230 that afternoon, amid funeral music, comrades Nie Bichu, Zhang Lichang, Wang Xudong, Li Jianguo, Wu Zhen, Liu Jinfeng, Zhang Zaiwang, Yang Huijie, Yang Jingheng, Yang Zhihua, and Chen Deyi slowly stepped into the funeral room to shake hands with (Zhang Jingong), son of the deceased, and other family members as a token of condolence.

Following Comrade Zhang Huaisan's death, Comrade Li Ruihuan paid a visit to his home to convey his condolences. [passage omitted]

Northeast Region**Heilongjiang Policy To Attract Returned Students**

SK1302143393 Harbin Heilongjiang People's Radio
Network in Mandarin 1000 GMT 11 Feb 93

[Text] The provincial government recently issued some policy stipulations to attract students studying abroad. The provincial personnel department has called on all localities and departments to consider attracting students studying abroad to work in our province as an important task and to take this work seriously.

The stipulations point out: Returned students who have been sent to study abroad with public or private expenses in line with state stipulations and have received foreign official diplomas of professional training or above, including those who have permanent residence right or have the reentry status from the countries where they are studying, those who have become foreign nationals, those visiting scholars and graduate students who have the qualifications of assuming middle-ranking technical and specialized posts in foreign countries, who have engaged in advanced studies in institutions of higher learning or scientific research organs for more than one year and have made outstanding achievements, may work in organs and all institutions and enterprises of various ownership across the province. They may also work in organs of foreign-funded enterprises stationed in our province or in provincial organs stationed in other localities. Returned students are welcomed to our province to engage in technology transfer, technology contracted work, and technological cooperation; buying shares with technology; running their own enterprises; or assuming leadership in enterprises. In addition, they may also make investments in their own names or in the names of foreign registered companies. Those who have received doctorates from foreign countries may come to our province to serve as post doctors at the mobile post doctors centers in our province.

The stipulations state: In recruiting returned students, the state enterprises, institutions, and units may report to relevant departments if their staff quota, wage funds, and total payroll are limited. Additional funds will be given to them. Those who have become foreign nationals and have received permanent residence status abroad or reentry status from the foreign countries they have studied may be free to come and leave. Returned students who have made outstanding contributions in our province may enjoy the Heilongjiang award for major scientific and technological efficiency and other awards in line with relevant stipulations. Capital brought back or introduced by returned students to run enterprises or scientific and technological entities in their own names or in the names of foreign countries may enjoy priority in putting the projects on the planning board. Those that

are in conformity with the relevant stipulations may enjoy preferential terms given for foreign-funded enterprises. After being registered in the high and new technology industrial development zone, these enterprises may also enjoy preferential terms given for the high and new technology industrial development zone.

Heilongjiang Secretary Seeks To 'Purify' Cadres

SK1402142093 Harbin Heilongjiang People's Radio
Network in Mandarin 2200 GMT 12 Feb 93

[Text] On the afternoon of 12 February, while talking with the leading comrades of various cities and prefectures who were attending the provincial meeting on politics and law, Sun Weiben, secretary of the provincial party committee, called on party committees and governments in all localities to foster the idea of grasping the work with two hands. That is, the more we carry out reform and opening up, the more we should strengthen the work of politics and law as well as the party's leadership over the work.

Sun Weiben said: The organs of politics and law are the major component part of the stability and guarantee mechanism of the society. Party committees and governments in all localities must list the work of politics and law as a major item on their daily agenda in the course of conscientiously grasping economic work. Committees of politics and law in all localities should pay attention to choosing and transferring cadres to strengthen the politics and law committees at the county or district level to enable the committees to fully exploit their function and role in leading and coordinating the work of politics and law. All localities should pay attention to the work with regard to the remunerations to political and law cadres in strict accordance with the demands of the central authorities to ensure the stability of the ranks of political and law cadres.

When it comes to the construction of the ranks of political and law cadres, Sun Weiben pointed out: We should vigorously commend those who are advanced on the political and law front, energetically publicize their advanced deeds, and extensively carry forward the revolutionary spirit of making unremitting efforts to improve ourselves, working arduously, and making selfless dedication in order to stimulate the people to forge ahead courageously. We should actually strengthen the building of the bodies of political and law departments. We should be determined to dismiss those who are unsuitable for doing political and law work to purify the ranks of political and law cadres.

Also attending the talk were Xie Yong, vice chairman of the provincial people's congress standing committee and secretary of the provincial party committee political and law committee; Tang Xianqiang, president of the provincial higher people's court; and Yu Wanling, chief procurator of the provincial people's procuratorate.

Heilongjiang Survey Shows Economic Dissatisfaction

SK1402055293 Harbin Heilongjiang People's Radio
Network in Mandarin 2200 GMT 12 Feb 93

[Text] BEIFANG SHIBAO [NORTH TIMES] 12 February carries on its front page the report of the sample survey of 10 cities recently conducted by the provincial public opinion survey office. The report is entitled "Comments on the Government From Various Fields." The survey shows that 76 percent of the people are satisfied or basically satisfied with the overall work of the previous term of the provincial government, and more than 50 percent of the people are displeased with the government work in economy, public security, and administrative honesty and cleanliness. The report also includes the opinions and demands of some residents, which carries a lot of weight.

Heilongjiang's Fuyuan Port Opens Up to Outside

SK1402054993 Harbin Heilongjiang People's Radio
Network in Mandarin 1000 GMT 12 Feb 93

[Text] With the State Council's approval, Fuyuan Port, Heilongjiang Province, was formally opened to the outside world on 2 February. Situated where the Heilong Jiang and the Wusuli Jiang meet, Fuyuan Port faces Khabarovsk, the biggest city in the Russian Far East, across the river. About 960 km from the place where Heilong Jiang empties into the sea, Fuyuan Port is an important to Heilongjiang's river-and-sea coordinated transport. During normal seasons, ships will be used as a transportation, and during the freezing season, trucks will be used on the ice.

Jilin Secretary Speaks at Political, Legal Conference

SK1202131693 Changchun Jilin People's Radio
Network in Mandarin 1030 GMT 11 Feb 93

[Excerpt] At the provincial political and legal work conference, which concluded today, He Zhukang, secretary of the provincial party committee, emphasized that party committees and governments at all levels should understand and strengthen political and legal work from the perspective of the overall situation, firmly adhere to the orientation of serving economic construction, and continuously improve political and legal work.

The provincial political and legal work conference was held by the provincial party committee. Wang Jinshan, deputy secretary of the provincial party committee, and Wang Guofa, vice governor, attended.

He Zhukang pointed out in his speech: As far as the objective conditions are concerned, the most important and basic one for implementing the 14th CPC Congress guidelines and accomplishing our goals smoothly is a stable and harmonious social environment. A good public security environment is an important guarantee for building the spiritual construction and conducting

reform, and safeguarding political stability remains to be an important task for the entire society. To persistently attend to these two fields of work simultaneously and be strong in both are the basic principle for our endeavor to build socialism with Chinese characteristics. Party committees and governments at all levels should integrate political and legal work with the efforts to adhere to the party's basic line and to build socialism with Chinese characteristics, understand and study the work from the perspective of the overall situation, list it high on their agenda, conscientiously strengthen leadership over it, and enable public security, procuratorial, and judicial departments to fully perform their functions.

He Zhukang said in his speech: The work in all fields should serve the central task of economic construction, and political and legal work should also be focused on this central task and carried out successfully. We should further strengthen the function of the people's democratic dictatorship of public security, procuratorial, and judicial departments in order to safeguard social stability. Based on the demand for economic restructuring, we should reform and improve political and legal work and have a good command of the orientation of making political and legal work serve economic construction.

Speaking on China's basic principle for political and legal work, He Zhukang pointed out: The mass line is the lifeline of political and legal work, and we should respect, trust, and rely on the masses at all times. We should coordinate the efforts of specialized organizations with the efforts of the masses. We should enable all cadres and policemen to firmly remember that they must serve the people wholeheartedly at all times and under all circumstances. When taking measures to tackle public security problems comprehensively, we must make sure that departments in charge take the responsibility, which is the key. We should adopt effective measures for the masses to prevent crimes and improve public security and see to it that the measures of dealing blows, prevention, management, and education are implemented at the grass-roots levels.

He Zhukang emphasized in his speech: We should enable public security, procuratorial, and judicial departments to fully perform their functions; ensure their normal operation of work; and strictly manage and improve the contingent of policemen. [passage omitted]

Jilin Conference Defines 1993 Reform Tasks

SK1202131893 Changchun Jilin People's Radio
Network in Mandarin 1030 GMT 11 Feb 93

[Text] Today's provincial conference on economic restructuring pointed out that the major task for Jilin's economic restructuring this year is to achieve success in 10 major fields of work. The conference also defined the targets, tasks, and specific measures for the work.

First, we should achieve success in the advance experiment in enterprises' transformation of their operating mechanism. The number of enterprises conducting this

advance experiment should reach 120 this year. These enterprises should be gradually released from the charge of relevant administrative departments, and their administrative relations with these departments should be severed. Reform of the enterprises' leadership systems will be deepened. These enterprises will be given autonomy in the distribution of profits, their responsibility for their own profits and losses will be enhanced, and their problem of holding responsibility for running the society should be solved once and for all.

Second, we should deepen and improve the contract system, focusing on the experiment in the separation of taxes and profits and after-tax contract execution. Large and medium enterprises, which are the mainstay in Jilin's economic development and which urgently need to be renovated and developed, should institute the system of overall contract for input and output. The overwhelming majority of the enterprises which institute the contract system should gradually separate taxes from profits in line with the requirements of the state.

Third, we should greatly extend the reform of the shareholding system. Experiment in this system should be guided to the transformation of the enterprise operating mechanism. The percentage of the profits to be turned over to higher authorities by the shareholding enterprises should be fixed properly so that the legal rights and interests of these enterprises can be safeguarded. All localities and departments should formulate policies and measures for promoting the development of the shareholding enterprises in line with their specific conditions and achieve success in the experiment in the shareholding system.

Fourth, we should achieve success in the system change, leasing, and auction of small state industrial and commercial enterprises. Those which have earned meager profits or suffered losses for three years in a row should be sold out. In principle, small commercial enterprises which have the same experiences should be the first group to sell their property right.

Fifth, in line with the requirement for economies of scale, we should greatly develop enterprise conglomerates. We should strive to establish 15 larger enterprise conglomerates this year, of which at least five should be transnational.

Sixth, we should extend the degree of the reform of the social insurance system.

Seventh, we should actively facilitate the reform of the housing system. In the first half of this year, all medium cities should issue their programs for the housing reform and put them into effect. We should do a good job in selling public houses and step up collection of funds to develop cooperative housing construction.

Eighth, we should start with establishment of specialized wholesale markets to develop the market system. The priority for this year is to build a number of specialized wholesale markets for farm and sideline products, native

and special products, and local products. We should continue to improve the markets for rolled steel and build well the timber and vehicle trade markets and the China chemicals trade market. We should also improve the markets for the exchange of funds, labor, scientific and technological achievements, and trained personnel.

Ninth, we should achieve success in the experiment in the urban overall supporting reform.

Tenth, we should accelerate the reform of the managerial system and the operating mechanism of development zones and open zones.

Liaoning Secretary Fights Local Protectionism

SK1302071493 Shenyang Liaoning People's Radio Network in Mandarin 2300 GMT 12 Feb 93

[Text] On 12 February, provincial party committee Secretary Quan Shuren and Governor Yue Qifeng talked with some representatives of participants in the provincial political and legal work conference. Representatives gave their opinions and suggestions on how to be successful in political and legal work.

Governor Yue Qifeng said: In a sense, the market economy is the economy of the legal system. Along with the gradual establishment of the socialist market economic system, political and legal organs should accelerate their own reform, give full play to their functions and role, and provide a legal guarantee and a legal service for economic construction. The new circumstances appearing in reform and opening up, which are not covered by the stipulations of the ready-made rules and regulations, should be realistically handled in line with the basic principles of laws and relevant policies by proceeding from the overall situation which is conducive to developing the productive forces of society.

Quan Shuren, secretary of the provincial party committee, said: Without a perfect socialist legal system, there would be no order in the socialist market economy. We should reform the management system of political and legal work by proceeding from reality, stop over-staffing leading organs, vigorously strengthen political and legal work at the grass-roots level, and deal blows to criminal offenses and economic irregularities.

Quan Shuren added: Local protectionism should be resolutely checked because it is an obstacle to the development of the socialist market economy. We should support political and legal departments in resisting local protectionism. He expressed hope that party committees and governments at all levels would actually strengthen leadership over the legal system work in order to create a good legal system environment for establishing and operating the market economic system.

Northwest Region

Xinjiang's Song Hanliang Outlines 1993 Work

OW1302222593 Urumqi XINJIANG RIBAO in Chinese 24 Jan 93 p 1

["Speech by Song Hanliang at a Mass Spring Festival Gathering in Urumqi on 23 January 1993"]

[Text] Comrades:

Today is a traditional festival of the Chinese people. We are cheerfully gathering here to celebrate the Spring Festival. On behalf of the Xinjiang Autonomous Regional CPC Committee and People's Government, first I would like to extend my New Year's greetings to all comrades here. I would also like to take this opportunity to extend my cordial regards to workers, peasants, intellectuals, and cadres of all nationalities in Xinjiang; to retired veteran comrades; officers and men of the People's Liberation Army; officers and men of the armed police; public security cadres and policemen; staff members and workers of the Xinjiang Production and Construction Corps; all units of the central authorities stationed in Xinjiang who have worked on various fronts in Xinjiang to promote the autonomous region's economic construction; comrades of our fraternal provinces and autonomous regions; friends in Hong Kong, Macao, and Taiwan who have shown concern for and have contributed to Xinjiang's economic development; and our international friends. I wish everyone a Happy New Year.

The past year was one in which Chinese people of all nationalities made a giant stride forward in building socialism with Chinese characteristics; it is also one in which Xinjiang made the biggest step forward in reform and opening up, in which the autonomous region's economy developed quite rapidly, and in which it scored the most notable achievements. Party committees and governments at all levels and peoples of all nationalities in Xinjiang conscientiously acted in the spirit of Comrade Deng Xiaoping's remarks made during his inspection tour of southern China and earnestly carried out the guidelines set by the 14th CPC National Congress. They upheld the party's basic line, closely adhered to the central link of economic construction, emancipated their minds, changed the way they perceived things, braced themselves, and worked in a down-to-earth manner; as a result, we achieved substantive progress in our work in all fields. Currently, a very good situation has emerged across the autonomous region in which reform and opening up are developing animatedly, the pace of economic construction is quickening, people's livelihood is gradually improving, and social and political stability is being maintained.

The year 1993 will be one in which we will score greater progress in our work in all fields and will make a new leap in the autonomous region's economic development. Under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the guidance of the party's basic line of "one central task

and two basic points," we should actively, thoroughly, and correctly carry out the guidelines of the 14th CPC National Congress. And, we should continue to advance the reform, opening up, and modernization drive in accordance with the tasks set by the Fifth Plenary (Expanded) Session of the Fourth Xinjiang Regional CPC Committee, and by the First Session of the Eighth Xinjiang Regional People's Congress and the First Session of the Seventh Xinjiang Regional Committee of the Chinese People's Political Consultative Conference, which closed recently; as well as in accordance with the economic development objectives and strategy set by these sessions. We should strive to raise our economic development to a new level. Aiming to speed up the development of a socialist market economic system, we should quicken the pace of reform and broaden the scope of opening up. We should continue to strengthen agriculture as the basic industry, regard agricultural development as the primary economic work, and inject new life into the economy in rural and pastoral areas. We should work positively to transform enterprises' operating mechanisms and do everything possible to manage well large and medium-sized state-owned enterprises. We should effectively step up construction of basic industries and infrastructural facilities, forcefully develop tertiary industry, and apply modern technology to improve the overall quality of the economy. We should strengthen macroregulation and control, basically maintain balanced proportionate relationships between major economic sectors, and ensure that the economy will continue to develop rapidly and in a healthy way. We should continue to adhere to the principle of "gripping tightly with two hands" [cracking down on economic crimes while promoting reform and opening up], forcefully strengthen party building, step up the promotion of socialist spiritual civilization, go all out to advance ideological and cultural development, strengthen nationality unity and unity between the military and civilians, and work positively to preserve Xinjiang's political and social stability. In short, in the new year, party committees and governments at all levels in Xinjiang should closely rely on and lead peoples of all nationalities to win, with an unyielding and pioneering spirit, greater victories in economic construction and in other areas.

Comrades, this year's Spring Festival is the beginning of another spring of Xinjiang's reform, opening up, and economic construction. Everything is fresh and animated at the beginning of a new year. Under the leadership of the party Central Committee with Comrade Jiang Zemin as its core, let us emancipate our minds, do things in the light of reality, work in unison and in a down-to-earth manner, and work diligently to accomplish all tasks set by the 14th CPC National Congress, to achieve Xinjiang's development objectives for the 1990's, and to win new victories in work in all fields in 1993.

Chairman Gives Festival Speech

OW1402081993 Urumqi XINJIANG RIBAO in Chinese
25 Jan 93 pp 1, 2

["Speech by Tomur Dawamat at the Spring Festival Gathering on 23 January 1993"]

[Text] Comrades and friends:

We are welcoming the 1993 Spring Festival in an incomparably joyous mood. Today, we gather here joyously to exchange New Year's greetings and bid farewell to the old year, while ushering in the new. On behalf of the autonomous regional party committee and the people's government, I extend festival greetings to everyone present here and wish you a Happy New Year and good health. I also wish to extend festival greetings and kind regards to workers of all nationalities, peasants and herdsmen, intellectuals, cadres, retired veteran comrades, troops of the People's Liberation Army stationed in Xinjiang, armed police force, officers and men of public security cadres and policemen, workers of production and construction corps, and all patriotic and democratic people who have worked hard and made selfless contributions to developing and building Xinjiang as well as defending the motherland's borders.

The past year was a very important year in our region's history. We earnestly studied and implemented the guidelines of Comrade Deng Xiaoping's important talks during his southern tour and the plenary session of the CPC Central Committee Political Bureau, closely integrated Xinjiang's actual situations, focused our efforts to vigorously tackle economic construction, and continued to accelerate the pace of reform and opening up and modernization. In particular, following the 14th CPC National Congress and the Fifth Plenary (Enlarged) Session of the Fourth Xinjiang Autonomous Regional CPC Committee, the people's spirit in the entire province was enhanced and the enthusiasm of cadres and people of all nationalities in building socialism ran high. We deeply and widely implemented reform and openness in various spheres. Over the past year, we victoriously fulfilled all our tasks for 1992 through the rousing efforts of all people in the region. We reaped a bumper harvest in agricultural and animal husbandry production for the 15th year, and further strengthened the role of agriculture as the foundation of the national economy. We have begun an allround reform, with emphasis on transforming the operating mechanism of state-owned industrial enterprises and maintained moderate growth in industrial production and communications. We have further widened our opening up to the outside world and have achieved breakthrough developments in local and border trade. We attached more importance to constructing infrastructures and basic industries, as well as completed and put into operations a group of key projects. The region was full of vitality in its various undertakings in science and technology, education, culture, healthcare, and sports. Markets were prospering and thriving and the people's livelihood continued to improve. The entire region saw political and social stability and nationality unity, people of all nationalities lived and worked in peace and contentment, and a picture of prosperity prevailed everywhere in townships and villages.

In the new year, we must fully implement the guidelines of the 14th CPC National Congress and the Fifth Plenary

(Enlarged) Session of the Fourth Xinjiang Autonomous Regional CPC Committee, emancipate our minds, do practical work, accelerate the pace of reform and opening up and modernization, and strive to fulfill the various tasks and demands put forward by the First Session of the Eighth Xinjiang Uygur Autonomous Regional People's Congress.

We must continue to focus our efforts in economic construction, vigorously optimize the economic structure, upgrade quality, enhance efficiency, and promote faster and better national economic development. We must continue to strengthen the foundation role of agriculture and strengthen agricultural and rural work. We should realistically protect the interest of the vast number of peasants and herdsmen, lessen their burdens, and further arouse their enthusiasm of production. We must develop the rural economy in an all-around way. We must accelerate the construction of infrastructures and basic industries, effectively tackle the development of pillar industries and leading products, quicken the transformation of enterprise operating mechanisms, promote the development of industrial production and communications, and strive to upgrade economic efficiency. We should quicken market construction, further invigorate market circulation, and vigorously develop village and town enterprises and tertiary industry. In order to accelerate the speed of economic development and promote economic efficiency, we must further rely on scientific and technological advancements and upgrade worker quality. We must, in light of Xinjiang's actual situation, firmly depend on the people of all nationalities and actively explore ways for establishing a socialist market economic system. While bringing into play the foundation role of the market in disposing of resources, it is necessary to realistically strengthen macroeconomic regulation and control by the government and work hard to raise the overall quality of our region's economic work to a new level.

During the process of accelerating reform and opening up and economic development, we must uphold the principle of "grasping two links at the same time," and truly implement strict measures in the two links—vigorously and simultaneously strengthening the socialist spiritual civilization and material civilization. We must adopt strict comprehensive measures to control the social order, severely crack down on all crimes in accordance with the laws, strive to eliminate the evil phenomenon deeply resented by the people, protect the people's interests, and ensure a smooth process for reform and development.

In the new year, leaders and cadres at all levels must earnestly study the guidelines of the 14th CPC National Congress and Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics. They should further upgrade their self-consciousness and determination in implementing the party's basic line, enhance their responsibilities in serving the people wholeheartedly, take the lead in carrying forward the party's fine tradition and excellent style, resolutely overcome bureaucracy and formalism, and

uphold the construction of a clean administration and the struggle against corruption. They should go down to the grass-roots units and people, investigate and study the people's need and problems, and attach importance to doing practical work and to seeking practical efficiency, as well as take timely measures to solve fresh problems during the process of reform and opening up and modernization.

Comrades and friends, Xinjiang has a glorious and promising future. Let us unite ourselves more closely around the party Central Committee with Comrade Jiang Zemin at its core, fully implement the guidelines of the 14th CPC National Congress, center our tasks on economic construction, uphold the four cardinal principles, uphold reform and opening up to the outside world, and resolve to overcome all difficulties and strive to snatch new victories for our region's various tasks.

I wish you all a happy holiday season, happiness for your families, and the fulfillment of all that your heart wishes.

Tomur Dawamat Outlines Government Work

OW1002151693 Urumqi XINJIANG RIBAO in Chinese
19 Jan 93 p 2

["Speech by Tomur Dawamat at a Meeting With Reporters on 18 January"]

[Text] The First Session of the Eighth Xinjiang Autonomous Regional People's Congress today officially elected through a democratic election process the Eighth Xinjiang Autonomous Regional People's Government. The nine comrades newly elected as the chairman and vice chairmen of the Xinjiang Autonomous Regional Government feel very happy about this. On behalf of the new government, I express my sincere thanks to people of all nationalities in Xinjiang for their support and trust. On the eve of the Spring Festival, we extend our new year greetings to people of all nationalities and wish everyone a happy new year and family happiness.

The new government was elected after the 14th CPC National Congress was successfully held, at a time when fundamental changes are taking place in the country's economic system, and at the beginning of the first year in which the nation's economy has begun to shift to a socialist market economy. The next five years will be the crucial period in Xinjiang's economic construction and development. During the new government's tenure, we will raise Xinjiang's economic and social development quicker and in a better manner to a new level. We are shouldering a mission bestowed on us by history, and the people have high expectations of us. Our tasks are arduous, but our future is bright. With the correct leadership of the CPC Central Committee, the State Council, and the Xinjiang Autonomous Regional CPC Committee, and with the support of the 15 million people of all nationalities in Xinjiang, we definitely will accomplish the new government's work in a better way.

The new government has decided to unswervingly carry through the guidelines set by the 14th CPC National

Congress and the expanded meeting of the Fifth Plenary Session of the Fourth Xinjiang Regional CPC Committee, and to carry out in a down-to-earth manner the various tasks set for the next five years in the "Government Work Report," which was examined and approved by the First Session of the Eighth National People's Congress [NPC], to raise Xinjiang's economic construction and undertakings in other areas to a new level quicker and in a better manner. By the end of 1997, we should have increased our gross output value to more than five times the figure of 1980, and eight times the figure by the end of the century—increasing per capita gross output value to 4,000 yuan and laying a solid foundation for joining the whole nation in achieving relatively comfortable lives for people.

We will further broaden the scope of reform, and, aiming at developing a socialist market economic system, will endeavor to drive forward reform in all fields and will forcefully develop productive forces. We will further quicken the step of opening up to the outside world, continue to expand the scope of exchange and cooperation with other localities as well as foreign countries, and construct and extend the northwest international thoroughfare. While strengthening and developing large-scale trade, we should properly and flexibly develop regional and border trade on a large scale and strive to make breakthroughs in opening up the four prefectures in southern Xinjiang to quicken the pace of Xinjiang's economic and cultural development, to narrow as quickly as possible the gap between Xinjiang and other more advanced interior provinces, and to catch up with the nation's development pace.

We will concentrate our efforts on developing the economy. We will continue to strengthen agriculture as the basic industry; we will maintain the responsibility system with the household contract responsibility system with remuneration linked to output as the core, as well as maintain the party's other policies toward rural areas; we will forcefully develop agricultural and animal husbandry production and the second and tertiary rural industries based on village and town enterprises; we will effectively ease the burdens of peasants and herdsmen and give them motivation; and we will ensure that agricultural and animal husbandry industries will develop along a course characterized by high yield, good quality, and high efficiency. We will earnestly delegate enterprise management powers to enterprises, work positively to transform state-owned enterprises' operating mechanisms, readjust and improve the economic structure, help enterprises modernize their technology, and strive to make major progress in both the development rate and economic results. While forcefully developing productive forces, we will ensure that the autonomous region's financial revenues will increase by more than 300 million yuan annually on the average in the next five years so that we can fundamentally improve Xinjiang's financial situation.

We will apply ourselves to developing infrastructural facilities and endeavor to fundamentally improve our

infrastructural facilities within the new government's tenure. We will ensure that the key and backbone projects currently under construction will be completed, put into operation, and serve their purposes; we will try to construct a number of new large backbone projects to enhance our economic development capabilities. We will ensure that construction of the second-phase project of the Manas electric power plant and construction of Urumqi's fourth electric power source will proceed well; we will try our best to begin construction of the city's fifth electric power source; we will strive to ensure that the two large chemical fertilizer factories in northern Xinjiang will be completed in 1994 and 1995, respectively. Construction of a large chemical fertilizer factory in southern Xinjiang also should begin as soon as possible. We will double the current capacity of refining 7.5 million tonnes of petroleum annually. At the same time, we will construct projects for the subsequent processing of petroleum products.

We will ensure that the Uruwati Reservoir in southern Xinjiang will be completed; we will try to begin as soon as possible the construction of the Tekesi key water control project and other large water conservation projects in northern Xinjiang; we will solve the water shortage problem in the economic strip in the northern side of the Tian Shan, which has impeded local economic development. We will address ourselves to constructing the Urumqi airport expansion project; we will ensure that the multiple-track project of the Lanzhou-Xinjiang railroad will be put into use by the end of 1994 as scheduled. We decided to complete by the end of 1997 the section between Korla and Kashi of the Southern Xinjiang Railroad to create more favorable conditions for southern Xinjiang to develop its economy, to free itself from poverty, and to become better off. We will ensure that construction of state Highway 312 will proceed smoothly; we will begin the construction of the Tacheng Highway, the Fukang-Xiazijie Highway, and the Turpan-Urumqi-Dahuangshan Highway. In addition, we will support the Ministry of Posts and Telecommunications in installing optical cables from Xian to Urumqi via Lanzhou.

We will endeavor to raise the living standards of people of all nationalities in Xinjiang. We will work positively to enable peoples of all nationalities to have better clothing, food, living conditions, transportation facilities, commodities, medical care, and sanitary conditions. We will forcefully develop education, science, technology, public health work, cultural facilities, and sports to improve the material and cultural lives of peoples of all nationalities. We will continue to pay attention to helping the poor. While striving to fundamentally solve the problem of enabling impoverished households to have enough to eat and wear, we will try to enable these households to join all people in Xinjiang in becoming better off. We will do our best to enable the per capita net income of peasants and herdsmen to increase, after adjustment for inflation, by at least 50 yuan annually on

average in the next five years. We will try to enable some townships and counties to become better off ahead of others.

The people's government is a government of the people of all nationalities. We will not disappoint the masses, will wholeheartedly serve the people of all nationalities, will diligently perform our duties for the people, will do things in a down-to-earth manner, and will do practical things to benefit the people. We will unite people of all nationalities in Xinjiang with a new air and in a new style and manner and strive to open up a new situation in Xinjiang's reform, opening up, and modernization efforts.

Tomur Dawamat Chairs Xinjiang Planning Meeting

OW1402034293 Urumqi Xinjiang Television Network in Mandarin 1655 GMT 9 Feb 93

[From the "Xinjiang News" program]

[Text] [Video shows wide shots of a meeting with approximately 200 in attendance; close and medium shots of Tomur Dawamat and several other leaders, including Wang Lequan; and pan shots of attendees] An autonomous regional work meeting opened on 8 February. The central tasks at the meeting were to discuss and arrange the economic and social development plan for 1993 as well as relevant policy measures; to guide a rational distribution of resources and a sound operation of the market; and to bring about new progress in economic development in accordance with the requirements for developing a socialist market economy as well as via arrangements made by the national planning conference based on an accurate analysis of the present economic situation and the economic development trend for 1993.

Autonomous regional party and government leaders Tomur Dawamat, Janabil, Li Shoushan, Amudun Niyaz, and Wang Lequan attended the meeting. Tomur Dawamat, chairman of the autonomous region, presided over the meeting. Wang Lequan, vice chairman of the autonomous region, delivered a report on the autonomous region's planning for 1993.

Reviewing Xinjiang's economic situation in 1992, Wang Lequan said: Over the past year, party committees and governments at all levels, as well as cadres and people of all nationalities in Xinjiang, have seriously studied Comrade Deng Xiaoping's important talks made during his southern China inspection tour, the guidelines of the plenary meeting of the Central Political Bureau, and the guidelines of the 14th CPC National Congress; have upheld the party's basic line; have concentrated on the central task of economic construction; have pushed Xinjiang's reform, opening up, and economic construction into a new stage of development; and have made gratifying achievements. We have either fulfilled or over-fulfilled our planned targets.

Wang Lequan added: The guiding principles for this year's planning work are to implement in an all-around manner the guidelines of the 14th party national congress, the guidelines of the fifth enlarged plenary meeting of the fourth autonomous regional party committee, and the guidelines of the first session of the eighth autonomous region people's congress; to adhere to the theory of building a socialism with Chinese characteristics and to the party's basic line; to work in accordance with the requirements for building a socialist market economy and for making new and fast progress in economic development; to take the present opportunity to further emancipate our minds, seek truth from facts, perform actual deeds, and stress practical results; to persistently reform and open up in order to promote economic development, achieve economic growth on the basis of optimized structure and high economic efficiency, ensure a basic balance between total social demand and total social supply, and turn extensive economic operations into intensive economic operations through scientific and technological progresses; and to persist in making coordinated economic and social development, bringing about better economic quality, structure, and efficiency, and promoting all-around social progress.

On how to deepen the reform of planning, Wang Lequan said: An urgent task of planning is to further change our ideas and shift the duties of planning to those of conducting strategical research, formulating plans, exercising macro-control, achieving overall balance, making industrial policies, cultivating the market, building key construction projects, coordinating, and providing service. We should make our planning play a better role in meeting the needs of the market economy and in reflecting and guiding market behaviors. We should take full advantage of the strength of both planning and the market forces to help optimize the distribution of resources.

Wang Lequan concluded: In reforming planning for this year, emphasis should be placed on further reducing the scope and number of both mandatory plans and guidance plans, giving more planning power to enterprises, prefectures, autonomous prefectures, and cities; on cultivating and developing the market system; on stepping up macro-control; and on bringing about sound economic development.

Addresses Planning Tasks

OW1402130793 Urumqi Xinjiang Television Network in Mandarin 1655 GMT 12 Feb 93

[Video report by station correspondent Qi Zhengyu; from the "Xinjiang News" program]

[Text] A four-day regional planning conference ended on 11 February. Regional chairman Tomur Dawamat made an important speech at the meeting. He said: The current conference is convened in line with the demand for establishing a socialist market economy by mapping out

plans according to market demands, reducing mandatory and guidance plans, delegating authority for planning to lower levels, focusing planning on the nurturing of markets, and giving particular emphasis to the central tasks of optimizing structure and raising efficiency.

Through listening to general and special reports and speeches at plenary meetings and holding discussions, the conferees devoted their attention to studying and discussing a number of major issues in economic development and planning, thus realizing the anticipated goal.

Tomur Dawamat said: All localities and departments should implement the conference's guidelines on this year's economic planning by obtaining a better understanding of tasks and trying their utmost to fulfill or overfulfill the 1993 plan. Efforts should be made to continually optimize structure and raise efficiency. All party and government leaders should correctly handle

relations between speed, structure, and efficiency in order to facilitate advances in restructuring the economy and increasing efficiency. Vigorous efforts should be made to develop a socialist market economy; to strengthen and improve macroeconomic control and regulations; and to gradually set up a comprehensive, unified, open, orderly, and competitive socialist large-scale market.

He said: The key to ensuring the success of this year's work lies in exercising greater leadership and working hard. Cadres at all levels should enhance their sense of responsibility and urgency, change their mindsets, and dare to try out new measures. They should unite and lead the people of all nationalities in carrying out reform, opening up, and economic construction; implementing the general principles and plans for work in Xinjiang; and striving to successfully fulfill this year's plans and tasks.

U.S. Group Cites Taiwan on Copyright Violations

OW1402063493 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
13 Feb 93

[From the "Hookup" program]

[Excerpts] On 12 February the Ministry of Economic Affairs received a notice from U.S. officials that a U.S. organization for protecting international intellectual property rights has accused Taiwan of (failing) to protect those rights and suggested that the U.S. Government include Taiwan at the forefront of the Section 301 priority watchlist. This shows that if Taiwan does not deal with the matter in an appropriate manner, Taipei will face its biggest economic and trade crisis in many years. Industrial circles will be seriously affected, and Taiwan's economic growth and relations with the United States will also be effected.

Officials of both the Ministry of Economic Affairs and the Ministry of Foreign Affairs pointed out that the only way for Taiwan to reach a decision is to closely coordinate and compromise with the United States and make appropriate concessions; otherwise Taipei will have to be prepared for trade retaliation. In order to make concessions to the United States, Taiwan must obtain support from the Legislative Yuan. However, the Legislative Yuan will not open its session until later this month. Whether or not the Legislative Yuan will support the government's position depends on discussions and negotiations between the party and government at the highest level. At present, the cabinet is faced with the issue of reorganization, and a decision on cabinet members still has not been made; but the crisis is already very urgent. The situation is quite unfavorable to Taiwan.

Although the International Intellectual Property Rights Union is a nongovernmental organization based in the United States, its presence is quite influential. The Ministry of Economic Affairs has received a report sent to the U.S. Trade Representative's Office citing the organization's accusation against Taiwan for incomplete protection of intellectual property rights. The contents of the accusation include losses of as high as \$669 million by U.S. businessmen in movies, records, computer programs, and books. [passage omitted]

A spokesman of the American Institute in Taiwan said yesterday that a review of whether the U.S. Trade Representative Office should include Taiwan in the Section 301 priority watchlist and enforce trade retaliation would take some time. At present, it is hard to say what kind of decision the United States will make. [passage omitted]

Hsiao Wan-chang, minister of economic affairs, also stressed that at present the government should seriously handle several major cases of infringement upon intellectual property rights as proof to the United States of our determination and sincerity to protect intellectual property rights; otherwise it will be very difficult to avoid trade sanctions. [passage omitted]

Official on Potential Sanctions

OW1502085293 Taipei CNA in English 0809 GMT
15 Feb 93

[Text] Taipei, Feb. 15 (CNA)—Electronics, machinery, and cloth are the mainstay of Taiwan's exports, a ranking official of the Council for Economic Planning and Development (CEPD) said Sunday [14 February].

The official, who requested anonymity, reported that the three export items, which went mainly to the United States, accounted for about 30 percent of Taiwan's total exports.

CEPD tallies show that of the aggregate exports last year, electronics made up for 10.7 percent, machinery 9.2 percent, and cloth 8.5 percent.

If the United States imposes trade sanctions against Taiwan over the disputes on intellectual property right protection, the three kinds of products will be the first to bear the brunt of the retaliation, the official pointed out.

Coordinated efforts between the government and the legislature are urgently needed to resolve the trade issue, he said.

Government, Legislature Consult

OW1602075393 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
15 Feb 93

[From the "Hookup" program]

[Text] In view of the fact that the U.S. side probably cannot satisfy the contents of the Sino-U.S. copyright agreement adopted by the Legislative Yuan, and since this may bring about U.S. trade retaliation against us, government and legislative departments and the American Institute in Taiwan [AIT] have held consultations with each other. However, the three sides have different stances. The executive department hoped that the Legislative Yuan would reexamine the reservation clauses, but Wang Chin-ping, vice president of the Legislative Yuan, commented that it would be very difficult for the Legislative Yuan to accept the proposal. Wang Chin-ping asked the executive departments to first consult with the U.S. side. He stressed that the U.S. argument is not against those reservation clauses but against the poor results and lack of sincerity of the executive departments in cracking down on cases of violation of the law for many years.

Concerned officials from the Ministry of Foreign Affairs on 11 February held a coordination conference with the Foreign Affairs Committee of the Legislative Yuan and hoped that legislators would take the initiative in reexamining the eight reservation clauses, because the reservation clauses adopted and advocated by the Legislative Yuan are precisely those key articles on which the U.S. side will insist that we make concessions when the two sides hold talks. If legislators do not first adjust those reservation clauses, it is not likely that the U.S. side will

accept our stance, even if the executive departments negotiate with the U.S. side again. If the negotiations break down, our country will still face the pressure of Section 301 special provisions.

However, Wang Chin-ping, vice president of the Legislative Yuan and who was a member of the Kuomintang and supported the reservation clauses of the Sino-U.S. copyright agreement, emphatically pointed out that the executive departments should first consult with the U.S. side and coordinate with the Legislative Yuan to jointly find a way to solve the problem if the negotiations are not successful. Our parliament will lose its dignity if the executive departments do not first hold negotiations with the U.S. side and want the Legislative Yuan to change its position on its own.

Wang Chin-ping pointed out that the Legislative Yuan earlier approved the agreement with reservation clauses, in consideration of both U.S. pressure in the negotiations between the executive departments and the U.S. side, and the rights and interests of our country's people.

The AIT has also (?inquired) about the actions of our country's legislators. The head of the AIT office in Taiwan on 2 February invited (Wang Chin-ping) and (Wang Cheng-i), head and deputy head, respectively, of the ruling party's work team in the Legislative Yuan, (?to a meeting). The AIT will also invite (Chen Chiu-ti), secretary of the Democratic Progressive Party group in the Legislative Yuan, to a meeting this morning. According to Wang Chin-ping, the head of the AIT stressed when meeting with them that in fact the complaints of the U.S. side are not on the issue of reservation clauses but on the poor results and a lack of sincerity by our executive departments in handling cases of businessmen violating intellectual property rights for many years.

Chiang Ping-kun, political vice minister of economic affairs, pointed out that, in view of the pressure of possible U.S. trade retaliation against us by using the Section 301 Special Provisions, various departments at home should take overall economic interests into consideration and jointly solve the current problem. The Ministry of Economic Affairs expects to hold a meeting, to be attended by representatives from various ministries and commissions on 23 February, to coordinate policies on avoiding U.S. retaliation with the use of the Section 301 Special Provisions. Chiang Ping-kun yesterday said that the main brush between our country and the United States is the explanation by the Ministry of the Interior on the frequent import of original items. Chiang Ping-kun said the U.S. side argued that our country could not stop the frequent import of original items and therefore was unable to effectively protect the owners' copy rights. Chiang Ping-kun said that if our country could stop frequent imports of original items, it would only hurt those few people who import these items frequently. The general public still can obtain intellectual commodities through general agents. However, if we only protect a small number of businessmen who import frequently, the main export business of our country will

encounter greater countermeasures, and this will seriously hurt our overall economic interests. Concerned departments should solve the problem in consideration of the overall economic interests of the country.

Lawmakers Call U.S. 'Unfair'

OW1602104793 Taipei CNA in English 0823 GMT
16 Feb 93

[Text] Taipei, Feb. 16 (CNA)—Vice Economic Affairs Minister P.K. Chiang Monday [15 February] reiterated the government's determination to protect intellectual property rights (IPR).

Stressing that IPR protection is a matter of ever-increasing importance, Chiang said that a supra-ministerial coordination meeting will soon take place to deal with such issues as the parallel import of genuine goods, retroactive protection of agromedical products, inspection of computer exports, and the crackdown on illegal cable TV stations.

Protecting fruits of human creativity and inventions from unauthorized use, which has become a world trend, would be conducive to the development of the domestic economy, he noted.

The vice minister called on people here not to become emotional in their reaction to reports that the United States might put Taiwan on a list of "priority foreign countries" which could face trade sanctions.

The US International Intellectual Property Alliance last Friday [12 February] accused Taiwan and six other countries of pirating copyrighted films, music, computer software, and books.

The alliance asked the Clinton administration to cite the seven nations as violators of US copyright laws and urged prompt action against two of them—Thailand and Taiwan—if they failed to correct shortcomings.

Nations put on the US trade representative priority list in April must act to end unfair practices within six months or face punitive tariffs on exports.

Last year, Taiwan was cited on the US list and then removed from the list after the two countries reached an agreement on copyright protection.

The legislature ratified the copyright agreement in January, but shelved eight controversial articles of the pact.

Legislator Lin Chih-chia, insisting that the government should not bow to US pressure, suggested that this country's highest lawmaking body organize a lobbying delegation to visit the United States to help resolve the trade issue.

Lin Shou-shan, another legislator, pointed out that the government should intensify the crackdown on counterfeiting rather than push for a revision of the ROC [Republic of China]-US Copyright Agreement.

Yu Mu-ming, also a legislator, viewed the US retaliatory threat "unfair." He urged the government not to succumb to US demands. "The overall national interest in the long run should be given top priority," he said.

Another legislator Wang Tien-ching appealed to his legislative colleagues to work together with the government to avoid possible retaliatory action from America.

Wang Chin-ping, vice president of the Legislative Yuan, said that the legislature's action shall depend on results of the imminent IPR consultations between the two countries, which are scheduled to open in Washington, D.C. on March 15.

East Asian Farmer Groups Oppose Rice Imports
*OW1302083393 Taipei CNA in English 0810 GMT
13 Feb 93*

[Text] Seoul, Feb. 12 (CNA)—The heads of farmers associations in the Republic of China [ROC] on Taiwan, Japan and South Korea wound up a two-day meeting in Seoul Friday [12 February] with a joint statement opposing liberalization of the rice market.

Wu Ming-chin from Taipei, Mitsugu Horiuchi from Tokyo and Han Ho-sun of Seoul said in the statement that the Uruguay Round negotiations on farm products should fully consider the particular circumstances of each nation instead of seeking to reflect only the interests of food-exporting countries.

The trio said their nations cannot accept any degree of opening-up of the rice market because rice is the staple food grain for their people and the main source of income and employment for small-scale farming households in their countries.

Consideration for the protection of rural communities and for environmental preservation also dictates that rice markets be kept closed, they stressed in the statement.

Meanwhile, South Korean Prime Minister Hyon Sung-chong reiterated his country's opposition to opening its rice market to foreign products.

Hyon touched on the rice market question in testimony before the National Assembly where lawmakers sought the government's position on major outstanding issues.

"It continues to be a firm stand of the government that foreign rice not be allowed even minimum access to the domestic market because rice is the staple food grain for our people and the main source of income for our farmers," Hyon noted.

Chien Fu 'Secretly' Visits Indonesia, Japan
*OW1402033093 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
12 Feb 93*

[From the "Hookup" program]

[Text] Chien Fu, foreign minister, is secretly visiting Indonesia at present and will leave Indonesia on 15 February for a personal visit to Japan. Minister Chien Fu is expected to return to the Republic of China on 18 February.

Since the severance of diplomatic relations between the Republic of China and Japan, we have never had a foreign minister visit Japan. Despite the recent trend toward a warming of official exchanges between the Republic of China and Japan, the visit by Chien Fu is still quite sensitive. The following is a report by Chuang Hui-hsun.

Chien Fu, minister of foreign affairs, and Teng Pei-ying, director of the Ministry's Asia-Pacific Department, recently secretly left the country and they have already arrived at their first stop, Indonesia, a leading member of the (?ASEAN) [Tung Hsieh]. Their trip is a return visit following the visit of Habibie, Indonesian minister of research and technology, to Taiwan last year. During their visit, they will meet Indonesia's highest leader. As Indonesia occupies an important leading position in the ASEAN, Minister Chien Fu will, on his visit, seek Indonesia's support for our membership into the ASEAN. In the meantime he will strive to further elevate substantive relations between the two sides.

Minister Chien Fu will leave Indonesia for a visit to Japan on Monday [15 February]. This will represent substantive progress in elevating relations between the Republic of China and Japan. However, in order to reduce sensitivity and create more opportunities for exchanges in the future, Chien Fu's current visit is being called a personal visit. The focus of his visit will include a meeting with senior Japanese officials whom he knows. It is known that Kiichi Miyazawa, Japanese prime minister, had many contacts with Chien Fu when Miyazawa was a minister of foreign affairs. Chien Fu will be our country's second high-ranking official to have an exclusive meeting with Japanese Prime Minister Miyazawa, following our representative to Japan, Hsu Shui-te's. Furthermore, when Chien Fu was assigned to the United States, he had frequent contacts with Michio Watanabe, Japanese foreign minister, and Taro Nakayama, former Japanese foreign minister. Japanese Foreign Minister Watanabe, who is currently visiting the United States, may return to Japan on Monday or Tuesday. This coincides with Minister Chien Fu's scheduled visit to Japan. In addition, it is also possible that Chien Fu may visit Japan's royal family and make preparations for contact at the highest level between the two countries.

A person involved in the affair said that, in addition to elevating substantive relations between the Republic of China and Japan, the main topics of discussion during Chien Fu's visit to Japan will include issues of the foreign trade imbalance, the transfer of technology, and further contacts between the two countries at a high level.

German Lobby Hopes To Sell Warships to Taipei
*OW1302091193 Taipei CNA in English 0805 GMT
13 Feb 93*

[Text] Bonn, Feb. 12 (CNA)—The German shipbuilding industry is not giving up hope on orders from the Republic of China [ROC] for warships, though the German Government has twice rejected the sale.

The strong shipbuilders lobby has mobilized 124 German parliamentarians who have sponsored in a motion to propose that the authorities give a second thought to the US\$7.8 billion deal.

The sluggish German shipbuilding industry fears that the Dutch will get the order of frigates and submarines.

An informed source said that German shipbuilders may seek to cooperate with their French counterparts to avoid the strict restrictions imposed the German authorities.

Another alternative is for the German Government to cross out Taiwan from the list of areas in conflict. Under its basic law, Germany will not supply military equipment to countries or areas in conflict, the source disclosed.

The motion titled "Promotion of Economic Relations With Taiwan" initiated by Guenter Klein of the Christian Democratic Union (CDU) has been signed by parliamentarians of the CDU, Christian Socialist Union (CSU), Socialist Party (SPD) and the Free Democratic Party (FDP).

It calls on the German Government to reinforce its economic and trade ties with Taiwan and eliminate trade barriers. Democracy in Taiwan can only be secured when Taiwan is free from military threat, it added.

French Government To Issue Visas in Taipei
*OW1602105993 Taipei CNA in English 0812 GMT
16 Feb 93*

[Text] Taipei, Feb. 16 (CNA)—Paul Reau, director of the French Institute in Taipei, said Monday [15 February] that the French Government has decided to issue visas in Taipei starting in June.

While calling upon Taipei Mayor Huang Ta-chou, Reau said that France is very interested in selling high speed rail technology to the Republic of China [ROC]. He elaborated to the mayor the advantages of French rail technology.

He pointed out one measure of this cooperation was the application of French rail technology in the metropolitan Taipei mass transit system under construction.

Taiwan-ROK Agreements To Remain in Effect
*OW1502094293 Taipei CNA in English 0803 GMT
15 Feb 93*

[Text] Taipei, Feb. 15 (CNA)—South Korea announced last Friday [12 February] that the 11 agreements it had signed with the Republic of China [ROC] before the suspension of diplomatic relations would remain effective.

The 11 non-political pacts will stand unchanged until a negotiation is held to regulate the new ties between the two countries, the Korean Foreign Ministry said in a statement released last Friday.

"The nation's attempt to sustain the highest level of unofficial ties with Taiwan has not changed," the Ministry reiterated.

Seoul switched diplomatic recognition from Taipei to Peking last August. Since then the two sides have yet to iron out an agreement over the formula of their new relations.

It is reported that the statement was aimed to clear the confusion over whether the 11 pacts previously signed between the two countries were in fact still in force.

The bilateral agreements involve trade, cultural exchanges, aviation and navigation, taxation, copyright protection, and temporary customs clearance.

Opposition Leader Supports Dialogue With Beijing

*OW1302112493 Tokyo KYODO in English 1100 GMT
13 Feb 93*

[Text] Taipei, Feb. 13 KYODO—The leader of Taiwan's largest opposition party says he is prepared to actively promote dialogue with China.

In a recent interview in Taipei with KYODO NEWS SERVICE, Hsu Hsin-liang, chairman of the Democratic Progressive Party (DPP) said, "The dialogue should be limited to discussions on ways to promote mutual understanding and I will not agree to any attempt to solve the question of Taiwan's status."

Hsu, whose party advocates a Taiwan independent from China, was commenting on news reports that Tang Shubei, deputy director of China's Central Office for Taiwan Affairs, indicated at holding a tripartite meeting between the Chinese Communist Party and Taiwan's two political parties, the governing Kuomintang (Nationalist Party) and DPP. [sentence as received]

Hsu said he does not currently plan to send an official party mission to Beijing although he does not oppose any member of his party going to Beijing in a private capacity for an exchange of views with Chinese Communist Party leaders.

"Our party has a good chance to seize power, and we will continue our policy of maintaining equal, peaceful and friendly ties with China," he said.

Hsu said the DPP will vote for Lien Chan [President Li Teng-hui's nominee for premier] as Taiwan's new premier in the February 23 session of the National Assembly if he is unable to collect a majority of votes because of a power struggle within the Kuomintang.

In such a case, he said the DPP will seek concessions from the Kuomintang on such issues as the introduction of the popular presidential election system, improvement of social welfare and removal of a ban on the opening of new television stations.

PRC Official Denies Proposing Triparty Talks

OW1302094993 Taipei CNA in English 0903 GMT
13 Feb 93

[Text] Beijing, Feb. 12 (CNA)—A high-ranking official of mainland's Association for Relations Across the Taiwan Straits (ARATS) Friday [12 February] denied that he had proposed "two-side tri-party" talks on the future of China.

Tang Shubei, ARATS' standing deputy chairman, said he didn't say to a visiting Taiwan construction industry delegation in Beijing a few days ago that the mainland authorities are not ruling out the possibility of negotiations attended by Taiwan's ruling Kuomintang (KMT) and opposition Democratic Progressive Party (DPP) and the mainland Communist Party of China (CPC).

"Our proposal for two-party talks between the KMT and the CPC has not changed," Tang was quoted as saying by Xu Zhqin, a senior ARATS staff member.

ARATS and Taipei's Straits Exchange Foundation (SEF) are both entrusted by the respective authorities on the mainland and Taiwan to handle cross-strait affairs.

Xu said in an interview with the CENTRAL NEWS AGENCY that Tang wasn't present at the seminar attended by the Taiwan construction delegation held in Beijing on Feb. 5.

However, in answering questions raised by members of the Taiwan mission in a dinner party on the same day, Tang had quoted CPC General-Secretary Jiang Zemin's report to the CPC 14th Congress as saying that Beijing would renew its call for two-party talks on China's reunification.

But Jiang said that other political parties, groups and representative figures would also be welcomed to join the talks under the principle of "one China."

While quoting Jiang's words, Tang didn't specify the DPP, according to Xu.

Jiang Zemin Expected To Head Party Taiwan Group

OW1402014393 Taipei LIEN HO PAO in Chinese
1 Feb 93 p 1

["Special dispatch" from Beijing by LIEN HO PAO reporter Lai Chin-hung (6351 6930 1347): "Chiang Tse-min To Concurrently Lead Chinese Communist's Group on Taiwan Affairs"]

[Text] Beijing, 31 Jan—Informed sources here pointed out that changes among high-ranking personnel involved with Taiwan affairs in the CPC Central Committee [CPCCC] will be decided by the end of March. Chiang Tse-min [Jiang Zemin], general secretary of the CPCCC, will concurrently assume the post as head of the CPCCC's leading group on Taiwan affairs, while Ting Kuan-ken [Ding Guangen] and Chien Chi-chen [Qian Qichen] will shoulder important tasks within the leading group.

In order to accelerate the completion of Teng Hsiao-ping's [Deng Xiaoping's] directives on "reunification work"—one of three major tasks in the 1990's—the CPCCC's leading group on Taiwan affairs and the State Council's Taiwan Affairs Office are currently reshuffling their personnel. It is expected that the decision will be made after the government changes and the State Council reshuffles its personnel in March. The possibility is great that Ting Kuan-ken and Chien Chi-chen will join the CPCCC's leading group on Taiwan affairs, and that there will also be personnel changes in the State Council's Taiwan Affairs Office.

Informed sources said that because Yang Shang-kun [Yang Shangkun] and Wu Hsueh-chien [Wu Xueqian] have left the CPCCC Political Bureau and will relinquish their respective posts as head and deputy head of the CPCCC's leading group on Taiwan affairs, personnel for the group will also be reshuffled. It was pointed out that a group of several leaders connected to departments involved with Taiwan affairs will be concurrently headed by Chiang Tse-min, general secretary of the CPCCC, as its supreme leader. However Ting Kuan-ken, head of the CPCCC's Propaganda Department, and Foreign Minister Chien Chi-chen may be responsible for the actual work on Taiwan affairs.

Informed sources point out that aside from being familiar with Taiwan affairs, more importantly, persons who actually handle the CPCCC's Taiwan affairs must have the absolute confidence of Teng Hsiao-ping and others, and must be capable of implementing Teng Hsiao-ping's advocacy of "peaceful reunification and one country, two systems." Ting Kuan-ken and Chien Chi-chen meet the above mentioned conditions. It was learned that while heading the State Council's Taiwan Affairs Office, Ting Kuan-ken was very efficient in chairing daily meetings and was decisive in his work.

Chien Chi-chen, who reportedly will be promoted to vice premier of the State Council during the National People's Congress in mid-March, has been in touch with Taiwan affairs in the international scene and foreign affairs fronts. With his rich experience in negotiations, he will play an important role in cross-strait negotiations in the future.

As for a suitable person to head the State Council's Taiwan Affairs Office, higher authorities of the CPCCC are actively looking for a successor after Wang Chao-kuo [Wang Zhaoguo] assumes the post as head of the United Front Work Department. No decision has yet been made. However, informed sources disclosed that once the new director takes office, new deputy directors may be brought in. Thus there will also be changes in the deputy director post. It was pointed out that the CPCCC, in order to take "formality" into consideration, will promote to the post of deputy director a Taiwanese national who will be selected from representative persons of Taiwanese nationals on the mainland.

Official on Security of Investments in Mainland

OW1302093193 Taipei CNA in English 0813 GMT 13 Feb 93

[Text] Taipei, Feb. 13 (CNA)—Security guarantees to Taiwan investors on the China Mainland will be a topic to be discussed at the meeting between Ku Chen-fu, chairman of the Strait Exchange Foundation (SEF), and Wang Daohan, chairman of the Association for Relations Across the Taiwan Straits (ARATS).

Ma Ying-jeou, vice chairman of the Mainland Affairs Council, said Friday [12 February] that the government was very concerned about a report that a factory invested by Taiwan businessmen was entered by communist Chinese soldiers.

Ma said that his council has asked the SEF to check with ARATS about the case.

The case has reflected the urgent need for security measures for Taiwan investors on the China Mainland, according to Ma.

Hong Kong

PRC Reportedly Agrees to Negotiations With UK

HK1302074393 Hong Kong CHING CHI JIH PAO in Chinese 13 Feb 93 p 2

[By staff reporter Chiu Cheng-wu (6726 2052 2976): "To End Tense Relations Between the Two Sides, the Chinese Side Says Diplomatic Dialogue Can Resume"]

[Text] According to reliable information obtained by this newspaper, the Chinese Government has told the British side that dialogue can be resumed through diplomatic channels to end the tension in Sino-British relations caused by Hong Kong Governor Chris Patten's political reform package.

Beijing has agreed with the Hong Kong Government's decision to postpone the publication of the political reform program in the GOVERNMENT GAZETTE, because this decision shows the British side's initial good faith in solving the problem.

However, the two sides are still not quite definite about when and how the diplomatic talks will be resumed, what the agenda will cover, and in what direction the talks will proceed. It is thought that the Sino-British Joint Liaison Group (JLG) will be one channel for the talks.

To facilitate talks, the Chinese side hopes the publication of the political reform program will be postponed further.

Since the Chinese side considers the political reform program unacceptable, it will not agree that the talks should be solely based on the political reform program.

Again, after the last JLG meeting (held in early December last year), the British side proposed that there should be no preconditions for talks. This could mean that the British side will not insist that the talks are based on the governor's political reform program. Nevertheless, the Chinese side has ignored the British position, because it maintains that the British side basically lacks sincerity for talks.

Osborn [2962 1835 0590], the British press spokesman based in Hong Kong, told this newspaper that he has not heard any news about the two sides being ready to resume talks. He said that the date and agenda for the next JLG meeting had yet to be finalized. He only indicated that the two sides maintain regular contacts.

When talking to this newspaper, Mike Hanson, the governor's information coordinator, reiterated the British position that there should be no preconditions for any talks. But he did not say whether this means that the two sides will not discuss the governor's political reform program. The bill concerning the arrangements for the 1994 and 1995 elections must be approved by the Legislative Council before it comes into force, Hanson added. He hopes that the Chinese side will respect the Legislative Council's decision.

It is reported that Fung Kim-kei, legislator and chairman of the Association for Democracy and People's Livelihood, told five executive councillors at lunch last Thursday [11 February] that if the Hong Kong Government decides to postpone publication of the political reform program, this will create favorable conditions for Sino-British diplomatic negotiations. A senior executive councillor immediately responded by saying that they would think it over.

Fung Kim-kei also said that if the Hong Kong Government suddenly publishes the political reform program in the GAZETTE when the two sides are willing to resume talks, this would not only mean that the British side had acted undesirably, but would also provide some people with the excuse that no more negotiations are needed to settle the problems.

Fung Kim-kei believed that since the budget will be the main topic for the whole month of March, there would be no harm in publishing the program in April.

In a program presented by Radio Television Hong Kong last night, Ching Kai-nam, secretary general of the Democratic Alliance for the Betterment of Hong Kong, described the situation as follows: There are two empty chairs at the Sino-British conference table. The two sides standing beside the chairs would like to sit down but they dare not do so due to a lack of a sense of security.

Contacts 'Underway' in Beijing

HK1602120093 Hong Kong AFP in English 1113 GMT 16 Feb 93

[Text] Hong Kong, Feb 16 (AFP)—Governor Chris Patten's proposals to widen democracy in Hong Kong have been delivered to Beijing in legislative form, sources here said Tuesday [16 February] amid media reports of contacts underway in Beijing. Officials who requested anonymity said Patten's advisory body the Executive Council (Exco) had given Chinese authorities a draft bill containing Patten's proposals to widen democracy before China takes over Hong Kong in 1997.

Chinese opposition to the proposals has affected confidence in the British colony. But weekend reports of a looming breakthrough between the two sides rallied stocks Monday [15 February] and Tuesday.

Two leading radio stations in Hong Kong said contact had been made already in the Chinese capital on Patten's proposals, which were first revealed in October. Radio Television Hong Kong (RTHK) quoted the British Embassy spokesman as saying the British side had contacted Chinese authorities on the proposals. The independent Metro Radio, quoting no sources, said talks between China and Britain "continued" on when and how to open negotiations on the reform plan. Neither report could be confirmed.

Exco member Edward Chen said "the door is still open" for negotiations. Exco's draft bill is to be passed to the Legislative Council, Hong Kong's parliament, for debate in the next few weeks.

Chinese officials here meanwhile accused Patten of spreading rumors that China would soften opposition to his pro-democracy proposals. An official close to Xinhua News Agency, China's de facto embassy in Hong Kong, called the rumors a "publicity gimmick" by Patten. The charges were repeated by Beijing's press in Hong Kong.

A Hong Kong government spokesman denied the accusation, reiterating the government's position that talks with Beijing should go forward without preconditions. A spokesman for the Chinese government's Hong Kong and Macao Affairs Office said late Monday that Patten's political proposals must be withdrawn, insisting that "China's principled position has not changed."

PRC Spokesman Denies 'Rumor'

OW1502103893 Beijing XINHUA Domestic Service in Chinese 0934 GMT 15 Feb 93

[Text] Beijing, 15 Feb (XINHUA)—In connection with the rumor [chuan wen 0278 5113] spread by Hong Kong media in the past two days that China and Britain held talks on issues about Hong Kong's political system and that China has softened its position, a XINHUA reporter has interviewed the spokesman for the State Council Hong Kong and Macao Affairs Office. The spokesman said that, during the news conference on 11 February, the Ministry of Foreign Affairs spokesman stated the Chinese Government's position on this issue. The spokesman for the Hong Kong and Macao Affairs Office reiterated that Hong Kong Governor Chris Patten's "political reform program" does not accord with the Joint Declaration, the Basic Law, and relevant agreements and the memorandum of understanding which China and Britain reached in the past; and that Chris Patten must renounce his "program" and truly return to the track of following the Joint Declaration, the Basic Law, and the memorandum of understanding. The Chinese Government has not changed this solemn and just stand.

XINHUA Dismisses 'Rumor'

HK1602054093 Hong Kong TA KUNG PAO in Chinese 16 Feb 93 p 2

[Report: "Persons in Charge of XINHUA NEWS AGENCY Hong Kong Branch Stress: No Backing Down on Patten's Package"]

[Text] Zheng Guoxiong, deputy director of the Hong Kong Branch of the XINHUA NEWS AGENCY, clarified the recent rumor of a reconciliation between the Chinese and British Governments while meeting a number of community groups. He stressed again that there was no change in the Chinese Government's attitude towards Patten's political reform package and that he wished for Britain to return

to the original line. He said the Chinese side has not "softened" its stand on this issue.

Zheng Guoxiong made the above remarks when meeting representatives of four district boards from the Eastern District of Hong Kong Island. He also told the representatives that the historical problem of Hong Kong was an issue between China and Britain and could only be settled between the two countries. He stressed that China has not closed its doors to negotiation and that consultation channels laid down by the Joint Declaration and by the Memorandum of Understanding continue to exist.

Zheng Guoxiong said that China must uphold its principles, whereas obstacles to the negotiations have been placed by Patten, and only when the political reform package promulgated by him is abandoned can the Chinese and the British sides return to the basis of negotiation. Zheng Guoxiong stressed that the Chinese side has never backed down a bit on this issue.

Chan Lai-ling, one of the representatives, quoted Zheng Guoxiong's analysis of the British side's attitude and pointed out that viewing the signs in all respects, the British side has not truly changed its views and is still carrying out political reform according to its plans without consultations and in violation of the agreements reached. Patten has not, to the slightest degree, accepted views put forward by people from all walks of life and is bent on having his own way. There is hardly any sign that he is going to withdraw or shelve the political reform package, thus placing greater obstacles to Sino-British talks. Patten has paid no heed even though people from all walks of life have put forward a number of opinions, he has become less popular, and public opinion in support of his political reform keeps on dropping.

When asked about the issue of starting all over again, Zheng Guoxiong replied told the district board representatives that starting all over again is precisely a practice in line with the Joint Declaration and the Basic Law. Moreover, Patten launched a sudden attack and violated the Joint Declaration. He has violated the major principles of the agreements because the issue of elections related to the transition in 1997 was not submitted to the Joint Liaison Group and was without consultation between the two sides. Hence, when Patten went to Beijing, the Chinese side stated that if he abandoned the Joint Declaration and cooperation, China, to be accountable to the people of Hong Kong, must take measures to bring the stipulations of the Basic Law into effect. This is the exact meaning of what we have said. Because of Patten's "three violations," the Chinese side can only start all over again as a countermeasure. Starting all over again is for bringing into effect the Basic Law, which was drafted with the long-term participation of the Hong Kong people. The Chinese side will never back down a bit as far as this issue is concerned, because it has to be accountable to the Hong Kong people and because this is a major issue of major principle.

Zheng Guoxiong also reiterated: No matter how the situation develops, all of you should have confidence, which derives from the Chinese Government's being responsible to Hong Kong. At present, there are rapid changes in the development of China, and the China factor after the 14th CPC Congress has had a very significant impact on Hong Kong. China has an obligation and the capability to settle the Hong Kong issue in a good manner. All of you can review the past. Has China done anything harmful to Hong Kong since the Sino-British Joint Declaration was signed? Absolutely nothing. China has no reason not to treat Hong Kong well, so all of you can rest assured.

Zheng Guoxiong also said: The issue of political reform should not be put to a "plebiscite." The settlement of the Hong Kong issue is a matter between the Chinese and British Governments and is a question of sovereignty, which cannot be put to a plebiscite.

Zhu Yucheng, deputy director of the Hong Kong Branch of XINHUA, reiterated after attending a cocktail party at a Guangxi investment seminar yesterday, that China has not changed its stand on the issue of the development of Hong Kong's political structure, and the British side must return to the track of the "three conformities."

When asked about whether or not China has softened its stand on the issue of political reform, Zhu Yucheng said: "China has not changed its stand. For us, Britain can only return to the basis of the Sino-British Joint Declaration, of linking up with the Basic Law, and of the memorandums and agreements already reached between China and Britain. We can talk on this basis. As far as this issue is concerned, we will not discuss this with anybody else but only with the British side."

Patten 'Spreading Rumors'

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16 Feb 93

[By Peter Lim]

[Text] Hong Kong, Feb 16 (AFP)—Chinese officials here Tuesday accused Hong Kong Governor Chris Patten of spreading rumors that China would soften opposition to his pro-democracy proposals, as sources said the package had been delivered to Beijing.

Patten and aides were tight-lipped as they left a meeting with his advisory body, the Executive Council.

Despite Beijing's objection, the Executive Council (Exco) has approved a blueprint of the proposals and is set to pass it to the Legislative Council, Hong Kong's parliament, for debate in the next few weeks.

Officials who requested anonymity said Exco had submitted to Beijing the draft bill containing Patten's proposals to widen democracy before China takes over Hong Kong in 1997.

Chinese sources said Beijing was still insisting that Patten withdraw his proposals and return to the negotiating table if he wishes. Hong Kong radio said however that there was a possibility of compromise with moderates within the Beijing leadership.

Unconfirmed weekend reports of such a break-through in the three-month old Sino-British row made the stock market soar Monday and Tuesday morning for the first time since share prices began diving in November.

But an official close to Xinhua News Agency, China's de facto embassy in Hong Kong, called the rumors a "publicity gimmick" by Patten.

"It is a trick to mislead the public that China has softened its stance," said the source, accusing Patten of "using public opinion to pressure China to accept the constitutional reform packages."

The charges were repeated by Beijing's press in Hong Kong.

A Hong Kong government spokesman denied the accusation, reiterating the government's position that talks with Beijing should go forward without preconditions.

A spokesman for the Chinese government's Hong Kong and Macau Affairs Office said late Monday that Patten's political proposals must be withdrawn, insisting that "China's principled position has not changed."

The Beijing-funded Ta Kung Pao daily said in an editorial Tuesday that "it is necessary for China to clarify its position in order to avoid having the majority of compatriots being misled by the rumours."

Another Beijing mouthpiece, the Wen Wei Po, said the rumor was a government plot to force China to recognise that "the rice has already been cooked" and nothing could be done about it.

"It could only further damage the trust between China and Britain, making it more difficult for political reforms to be discussed through proper diplomatic channels," it said.

Ian Scott of the political science department of the University of Hong Kong said "publicity stunts are played by both sides obviously, but China uses them more as a strategy in a campaign to force" Patten to withdraw his reforms.

He said Patten sought to make sure that the 1995 legislative council elections were "reasonably fair and open." His proposals enlarge the voting franchise in the polls, but Beijing charges that this violates past agreements.

Beijing is believed to be concerned over possible pressure from booming southern Guangdong province, which would not want to see its economic links with Hong Kong damaged over the Sino-British row.

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